International Journal of Business & Law Research 13(1):113-135, Jan –Mar., 2025

 www.seahipublications.org **ISSN: 2360-8986**

doi:10.5281/zenodo.14808860

Audit Committee Attributes And Financial Reporting Quality Of Listed Conglomerate Firms In Nigeria

Kubiat Thompson; Dr. Emmanuel O. Emenyi* & Dr. (Mrs) Eno G. Ukpong

Department Of Accounting
Akwa Ibom State University, Obio Akpa, Oruk Anam, Nigeria
***emenyi007@yahoo.com; emmanuelemenyi@aksu.edu.ng**

ABSTRACT
Despite the implementation of various regulatory reforms aimed at strengthening audit committees, issues such as lack of independence, inadequate expertise, insufficient training, and limited resources have continued to suffice thereby undermining the financial reporting quality of firms in Nigeria. In view of this, this present study examined the effect of audit committee attributes on financial reporting quality of listed conglomerate firms in Nigeria. The specific objectives of this study were to assess the effect of audit committee independence on discretionary accrual of listed conglomerate firms in Nigeria, to ascertain the effect of audit firm tenure on discretionary accrual of listed conglomerate firms in Nigeria, to assess the effect of audit committee expertise in discretionary accrual of listed conglomerate firms in Nigeria, to determine the effect of audit committee meetings on discretionary accrual of listed conglomerate firms in Nigeria and to investigate the effect of audit committee size on discretionary accrual of listed conglomerate firms in Nigeria. The study adopted an *ex-post facto* research design and utilized a panel data of sixty (60) pooled observations gathered from six (10) listed conglomerate firms in Nigeria over ten (10)-year period (2014-2023) and employed a panel multiple regression technique to analyze the data via E-views 10.0 statistical package. The study findings revealed audit committee independence has a significant negative relationship (Coeff. = -1.1648{0.0046}) with discretionary accrual of listed conglomerate firms in Nigeria while audit firm tenure has a non-significant positive relationship (Coeff. =0.0357{0.6224}) with discretionary accrual of listed conglomerate firms in Nigeria. It also revealed that audit committee expertise has significant negative relationship (Coeff. = -0.0257{0.0000}) with discretionary accrual of listed conglomerate firms in Nigeria while audit committee meetings have non-significant negative relationship (Coeff. = -0.0027{0.0634}) with discretionary accrual of listed conglomerate firms in Nigeria. Audit committee size also showed a non-significant negative relationship (Coeff. = -0.2320{0.1614}) with discretionary accrual of listed conglomerate firms in Nigeria. It was thus concluded that audit committee attributes have significant effect on financial reporting quality of listed conglomerate firms in Nigeria at 5% significance level. It was recommended, amongst others, that listed conglomerate firms in Nigeria should ensure that their audit committees comprise members with financial expertise to effectively detect and prevent earnings management practices.
Keywords: audit committees, conglomerate firms, discretionary accrual

INTRODUCTION

Audit committee attributes encompass the qualifications, skills, and experience of members, particularly in financial management and auditing. These attributes are crucial for ensuring that the committee can effectively oversee financial reporting and internal controls (Adeyemi & Fagbemi, 2022). An audit committee must have the competence and be empowered to perform its role. Prior literature establishes that the audit committee plays a critical role in ensuring credibility in how financial reporting is carried out (Qeshtaa, & Ali, 2020; Qeshta et al. 2021). The likelihood of the audit committee manipulating financial reports is unlikely. However, if such manipulation occurs, it can only be due to a lack of independence, honesty, integrity and accountability among the committee members (Juhmani, 2017). Prior studies like Qeshta et al. (2021) indicated that most of the corporate scandals that happened after the establishment of the audit committee resulted from an audit committee failure to discharge their duties as expected. The irregularities and criticism that have been facing corporate entities have been due to an audit committee failure to carry out effective financial oversight (Bin-Ghanem, & Ariff, 2016). Some audit committee members may even end up colluding with the corporate managers to carry out fraudulent schemes. Buallay and Al-Ajmi (2020) concluded that one of the most important pillars of a good corporate governance framework are audit committees, which are expected to improve the quality of financial reporting, enhance auditors' performance, independence and objectivity, and the risk-management function, and improve financial decision-making.

In accordance with Mangala and Isha (2016), the responsibilities of the audit committee include financial reporting (including internal controls), auditing, and oversight of other processes. For example, the audit committee is responsible for facilitating communication between the board and the external auditor. Audit committees are responsible for monitoring the board of directors' decisions on the hiring and firing of external auditors, as well as providing advice to the board on such matters according to Hamdan and Mushtaha (2011). To ensure that the company possesses appropriate accounting rules, adequate internal controls, and external auditors who can prevent fraud and promote timely and high-quality financial statements by performing these responsibilities, it is the responsibility of the audit committee to ensure that the company has adequate external auditors. According to the findings of earlier studies, the quality of the financial reports may be improved by establishing an audit committee.

Audit committees are more likely to be established in larger companies, businesses with Big Eight auditors, organizations with lesser management equity ownership, and firms with a higher share of outside directors according to Hamdan et al. (2012). Audit committees are also more likely to be established in firms that had a higher share of outside directors prior to the necessity for an audit committee. According to Chedi and Chaya (2020), the value of financial reporting may be improved with the implementation of an audit committee effectiveness. Audit committee effectiveness must be studied in terms of its effectiveness when it comes to the quality of financial reports, as well as the characteristics of the audit committee, and it must be shown to what extent these characteristics are related, either directly or indirectly, to the quality of the financial reporting process (Amrah & Obaid 2019). The relationship between audit committee attributes and financial reporting quality has gained significant attention in corporate governance and accounting research. This is particularly critical for listed conglomerate firms in Nigeria, where the complexities of financial structures and corporate operations require robust oversight mechanisms. The audit committee serves as a vital component of corporate governance, tasked with ensuring the integrity, accuracy, and transparency of financial reports, thereby safeguarding the interests of shareholders and other stakeholders.

In Nigeria, corporate scandals and financial misstatements in the past have underscored the need for effective audit committees to mitigate the risks of earnings manipulation and non-compliance with regulatory standards. The effectiveness of these committees is often determined by their attributes, including independence, financial expertise, size, and diligence. These attributes influence the committee's ability to provide oversight, reduce information asymmetry, and enhance the reliability of financial reports (Uwuigbe et al., 2019; Ogundana et al., 2021). Listed conglomerate firms face unique challenges due to their diverse operations across multiple industries, which complicates financial reporting processes. As such, the role of audit committees in ensuring compliance with International Financial Reporting Standards (IFRS) and Nigerian regulatory requirements becomes even more critical. Empirical evidence suggests that strong audit committee attributes are positively associated with improved financial reporting quality, fostering stakeholder trust and enhancing corporate reputation (Ibrahim & Ali, 2022; Adegbite et al., 2021).

Statement of the problem

Owing to the continuous rise in the issues of corporate accounting scandals and fraud all over the world, Nigeria in particular, after the publication of rosy profit in the financial statement of firms, has raised serious doubts on the quality of financial reporting of Nigerian financial institutions. This has raised lot of criticisms on the inability of the audit committee to discharge their oversight duties as specified in the code of corporate governance by the Securities and Exchange Commission (SEC) and Companies and Allied Matters Act (CAMA) 2004. This has been evidenced by the collapses of firms in Nigeria such as the cases of Cadbury Nigeria Plc, Afribank Nigeria, Enron and tyco. These cases have posed serious challenges on the various attributes of audit committee.

The appointment of financial expert who is not an accounting expert as a member of the audit committee could lead to low quality of financial reporting as such member has no understanding of the content of financial statement, making him less likely to identify any errors or manipulations in the financial statement nor constrain earnings management. Furthermore, it is observed that when a member has been part of the audit committee for a longer period of time, he may form friendly alliance with the management; hence, there is less likelihood that they will identify any report against any manipulations in the financial statement. In addition, it is believed that when directors hold multiple committee or board seats, they will be over-committed, lack the time to perform their duties, thereby, preventing them from making full use of their skills and experiences when reviewing the financial statement prepared by the management (such as the case of Cadbury Nigeria plc.). Furthermore, frequent attendance at audit meetings of the audit committee also affect the quality of financial reporting as it usually leads to reverse of decision taken in earlier meetings which consequently results in increased cost for holding frequent meetings for the company. Different regulatory frameworks guiding the reporting of financial statements among various sub-sectors of the financial institutions have given room for different ways in which accounting figures could be manipulated thereby resulting to low quality of financial reporting.

Objectives of the study

The main objective of this study was to determine the effect of audit committee attributes on financial reporting quality of listed conglomerate firms in Nigeria. The specific objective of this study are:

(a). to assess the effect of audit committee independence on discretionary accrual of listed conglomerate firms in Nigeria.
(b). to ascertain the effect of audit firm tenure on discretionary accrual of listed conglomerate firms in Nigeria.
(c). to assess the effect of audit committee expertise on discretionary accrual of listed conglomerate firms in Nigeria.
(d). to determine the effect of audit committee meeting on discretionary accrual of listed conglomerate firms in Nigeria.
(e). to investigate the effect of audit committee size on discretionary accrual of listed conglomerate firms in Nigeria.

Research questions

In order to answer the research question, the following question was formulated for the study;

1. What effect does audit committee independence have on discretionary accrual of listed conglomerate firms in Nigeria?
2. What effect does audit firm tenure has on discretionary accrual of listed conglomerate firms in Nigeria?
3. To what extent does audit committee expertise affect discretionary accrual of listed conglomerate firms in Nigeria?
4. How does audit committee meeting affect discretionary accrual of listed conglomerate firms in Nigeria?
5. How does audit committee size affect discretionary accrual of listed conglomerate firms in Nigeria?

Research hypotheses

The following research hypotheses was formulated for the study;

H_{01}: Audit committee independence has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria.

H_{02}: Audit firm tenure has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria.

H_{03}: Audit committee expertise has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria.

H_{04}: Audit committee meeting have no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria.

H_{05}: Audit committee size has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria.

Conceptual framework

Audit committee attributes

Audit committee attributes is the specific characteristics, qualities, and features that define the structure, composition, and functioning of an audit committee, influencing its ability to effectively oversee a company's financial reporting processes and internal controls. These attributes are critical determinants of the audit committee's effectiveness in ensuring accountability, transparency, and compliance with regulatory and ethical standards in financial reporting. Buallay and Al-Ajmi (2020) concluded that one of the most important pillars of a good corporate governance framework are audit committees, which are expected to improve the quality of financial reporting, enhance auditors' performance, independence and objectivity, and the risk-management function, and improve financial decision-making. Furthermore, the presence of internal controls, namely, audit committee activities, contributes to mitigating the information asymmetry between companies and market participants. On the other hand, El-Deeb (2015) provided evidence that companies require an external auditor (as an external corporate governance mechanism) with sufficient experience and knowledge to express an independent audit opinion about the fair presentation of the financial statements, and an auditor's responsibility is not only to reveal any breach of accounting standards in financial statements but also to provide affirmation over financial reporting quality, and they are responsible for misleading financial statements. Audit quality is fundamental to a firm's performance as an objective audit is based on stakeholders' confidence in the integrity and credibility of financial reports (Ado et al., 2020).

Audit committees are considered one of the modern concepts that have gained and continue to gain attention in many countries because the establishment of audit committee is thought to be a solution for closing the gaps between management and shareholders of a firm. The audit committee is the main corporate governance tool used to evaluate a company's earnings quality (Nikulin, 2022). Furthermore, according to the structure of research and agency theory, the audit committee is one of the most crucial corporate governance tools as it reduces the unethical behavior of managers, enhances the transparency of financial information, and improves the accuracy of financial reporting.

According to Ayinla et al. (2022), an audit committee's primary objective is to resolve agency problems by carefully evaluating the acts of the management and the quality of financial reporting. Effective internal audit function committees safeguard the interests of shareholders through financial reporting, which strengthens corporate governance practices in firms. As a result, improving audit committee would improve the quality of financial reporting, as they play a role in monitoring financial reporting and disclosure. In other words, to safeguard the interests of investors, the committee must equally ensure high financial reporting quality disclosure, monitor accounting policy, and maintain the independence of the external auditors (Umoh, 2021). Soliman and Ragab (2014) have indicated that the size, independence, experience, and frequency of meetings of audit committee affect the effectiveness of their monitoring. Al-Shaer et al. (2017) stated that effective audit committee oversight enhances financial reporting quality and is crucial to corporate governance. Thus, the characteristics of an audit committee increase the committee's effectiveness and enable it to perform its duties effectively. Proxies that are usually employed to measure audit committee effectiveness are audit committee size, audit committee meeting frequency, and audit committee members' expertise (Chalevas et al. 2021).

Gebrayel et al. (2018) stated that the size of the audit committee independence, frequency of meetings, and level of financial literacy can all have an impact on the quality of financial reporting. Lastly, the effectiveness of audit committee meetings on financial reporting quality will be investigated in this paper by examining the impact of four characteristics of the audit committee: audit committee size, audit committee meetings, audit committee independence, and audit committee gender diversity on financial reporting quality.

Audit committee expertise

Audit committee expertise refers to the knowledge, skills, and experience possessed by the members of an audit committee that enable them to effectively oversee an organization's financial reporting processes, internal controls, risk management, and compliance activities. One of the essential tasks of the audit committee is to review financial information and control the behaviour of management in current affairs. It is also considered to be a control mechanism aimed at reducing information asymmetries between the internal and external members of the board of managers. Therefore, in terms of accounting, establishing an audit committee improves the quality and accuracy of financial information and ensures that authorities' responsiveness to reporting and disclosure are monitored and controlled (Umoh, 2021).

The presence of expert members in the accounting or financial area among members of the audit committee increases the likelihood of the disclosure of inaccurate statements in financial statements because these individuals are required to observe the ethical code to maintain their reputation. Such expertise may not only determine the quality of the financial report but may also affect the auditors' efficiency of the firm (Puni & Anlesinya 2020). Audit committee expertise helps to ensure that the auditing tasks are carried out effectively, leading to higher financial performance and audit efficiency (Mardnly et al. 2018). Having the right people with the required expertise levels may significantly improve the firm's auditing efficiency. Similarly, there is a perception that the implementation of internal audit recommendations is more when there is more expertise among members of the audit committee. Therefore, the presence of expert members in the audit committee can lead to more effective monitoring of companies. As a result, we expect a direct relationship between the expertise of the audit committee members in the fields of finance, accounting and auditing in relation to auditor's efficiency.

Audit committee independence

Audit committee independence refers to the degree to which the members of an audit committee are free from relationships or interests that could impair their ability to act objectively and in the best interests of the organization and its stakeholders. Some conditions in the reporting environment can make it difficult to assess the quality of information by users directly. The conflict of interest between the two; producer and user groups is the most crucial justification for an audit. If there is no conflict of interest between the two groups, the demand for audit services will significantly decrease. Preferably, one of the essential characteristics of the auditor is his independence. According to Haddad et al. (2021), every audit committee member is called independent, who has no personal or financial connection with the firm or executive managers. He also believes that the risk of fraud is reduced when the audit committee is independent. An audit committee's independence is achieved when the members' monitoring mechanism is not interfered with by third parties (Al Farooque et al. 2019).

Audit committee members should be allowed to carry out their monitoring role without interference from the managers and auditors (Umoh, 2021). Orjinta and Ikueze (2018) in their empirical analysis found that audit committee independence is positively and statistically significant to firm performance of nonfinancial firms. The audit committee should be independent of the economic unit to be effective. To maintain independence, members of the audit committee should be selected from nonexecutive managers. The audit committee is supposed to review and monitor the management response to the recommendations and findings of the internal audit. Nevertheless, considering the contradicting theoretical argument, this study does not predict any sign for the effect of audit committee independence on auditors' efficiency but propose that there is a significant relation between audit committee independence and auditor's efficiency.

Audit committee meetings

Audit committee meetings refer to the formal gatherings of the audit committee members to discuss and address issues related to the organization's financial reporting, internal controls, risk management, compliance, and auditing processes. These meetings provide a platform for the committee to fulfill its oversight responsibilities effectively. Audit committee meetings refer to scheduled gatherings of the audit committee, a subcommittee of a company's board of directors, to oversee financial reporting processes, internal controls, and audits. Bratten et al. (2022) defined audit committee meetings as essential forums where committees engage in oversight activities, such as discussing auditor selection, fee negotiations, and performance evaluations. These meetings are critical to ensuring transparent and compliant financial reporting.

Tanyi and Smith (2015) emphasized that the effectiveness of these meetings depends on the expertise and workload of the participants, noting that frequent and focused meetings improve monitoring and oversight. Felix, et al. (2021) highlight that the quality of these meetings can be enhanced by the diversity of committee members, allowing for broader perspectives and more robust decision-making in complex environments. Bédard and Gendron (2010) found a positive correlation between the frequency of audit committee meetings and financial reporting quality. Frequent meetings provide more opportunities for robust discussions on risk management, financial disclosures, and audit processes. However, they also caution against excessive meetings, which may dilute focus and effectiveness. Hasan et al. (2020) noted that regular, well-structured meetings ensure proactive identification of potential reporting issues and strengthen compliance with governance standards.

Audit committee size

Audit committee size refers to the number of members that make up an audit committee. The audit committee is a subgroup of the board of directors that oversees the financial reporting process, internal controls, and risk management of an organization. Research suggests that the ideal size of an audit committee is between three and five members. This size allows for diverse perspectives, effective communication, and efficient decision-making. A smaller committee may lack diverse perspectives, while a larger committee may be less efficient in decision-making. Some of the benefits of an optimal audit committee size include: Effective oversight, improved financial reporting quality, enhanced risk management, better internal controls and increased committee dynamics and engagement. In Nigeria, the Companies and Allied Matters Act (CAMA) 2020 requires that every public company have an audit committee with at least three members. The members should have a good understanding of finance, accounting, and auditing. A negative correlation between AC size and financial reporting was discovered by Lin et al. (2011). This suggests that larger committee sizes might have a detrimental effect on financial reporting quality. Overall, the literature reflects the complexity and mixed findings regarding the relationship between AC size and its impact on financial reporting. Different studies seem to offer varying perspectives: Some suggest a favourable correlation between committee size and financial reporting quality, while others found no significant relationship or even a negative association (Al Lawati & Kuruppu, 2023; Al Husban et al. 2022; Hasnan et al. 2022).

Audit firm tenure

Audit firm tenure refers to the length of time an audit firm has been continuously engaged to audit a company's financial statements. This concept is significant because it can impact both the quality of the audit and the financial reporting practices of the company. Felix et al. (2021) examined how audit firm tenure influences audit quality, suggesting a complex relationship. Short tenures might lack sufficient understanding of the client's business, while long tenures may result in complacency. Khan et al. (2021) emphasized that audit firm tenure is crucial in maintaining auditor independence and influencing financial reporting quality. Feng et al (2022) explored the effects of auditor tenure on audit quality, particularly focusing on how long-term relationships may affect auditor judgment and independence.

Iyer et al., (2022) discussed the implications of auditor tenure on regulatory frameworks and concludes that both short and long tenures can introduce unique risks and benefits to audit quality. Butler (2023) investigated the relationship between auditor tenure and the perception of audit quality among stakeholders, highlighting potential biases that can arise from prolonged engagements. Audit firm tenure reflects the cumulative experience an audit firm has with a client, which can have both positive and negative implications for audit quality. Khan and Kausar (2021) analyzed how varying lengths of auditor tenure impact the quality of financial reporting in Pakistan, concluding that a balanced approach to tenure can enhance financial statement reliability.

Feng and Wang, (2022) examined the effects of audit firm tenure on financial reporting quality in the context of China, suggesting that longer tenure can diminish audit quality due to reduced skepticism and independence. Butler (2023) revealed connections between the duration of auditor-client relationships and stakeholder perceptions of financial reporting quality, suggesting that both familiarity and lack of independence can influence how financial reports are viewed.

Financial reporting quality

Financial reporting quality refers to the degree to which an organization's financial reports accurately, transparently, and consistently reflect its financial performance, position, and cash flows. High-quality financial reporting provides reliable, relevant, and timely information to stakeholders, enabling them to make informed decisions. The overall goal of financial reporting is to provide valuable financial information about the company to stakeholders. At the same time, financial reports are the primary and common source for stakeholders for information they need (Gilchrist et al. 2023). The globalization of the world's capital markets has increased the demand for new aspects of information to support users' decisions (Morched et al. 2023). At the same time, the information in financial reports can be harmful because displaying unimportant details may hide material information and make financial reports challenging to interpret. Therefore, users have a great need for high-quality information rather than quantity. Comparable, reliable, and understandable financial information can support markets' diverse transactions and operations. Transparency and relevance are characteristics of proper financial reporting. Accounting information that meets these criteria boosts investor confidence, resulting in increased capital (Muhammed et al. 2021). Therefore, financial reporting must represent relevant, complete, neutral, comparable, verifiable, timeline, constant, and understandable information to achieve its goal (Schroeder et al. 2022).

However, in recent years, the failure of many companies, such as Enron, WorldCom, and Xerox, has proven that the reported profits only sometimes help stakeholders predict future profits. From here, the debate emerged about earnings quality (EQ) and related it to financial reporting quality (FRQ). Therefore, shareholders are more concerned about the quality of financial reports. The higher the quality of reporting is an indicator of earnings quality, and thus the more extended the firm will survive (Sae-Lim & Jermsittiparsert, 2019).

Discretionary accrual

Discretionary accruals refer to accounting adjustments made by management to smooth earnings or manipulate financial statements for various reasons, such as to meet financial targets or to influence investor perceptions. Discretionary accruals can be used to manage earnings and financial reporting to portray a more favorable picture of the company's performance. Recent studies on discretionary accruals have examined their impact on financial reporting quality, decision-making processes, and overall corporate governance. Wang et al. (2020). This study investigates the relationship between discretionary accruals and corporate governance practices in a developing economy, examining how governance mechanisms influence earnings management through discretionary accruals. Li et al. (2021) This study examines the impact of discretionary accruals on firm performance in the healthcare industry, exploring how the use of discretionary accruals affects financial outcomes and investor perceptions in healthcare companies. Chen et al. (2021) This study analyzes the relationship between discretionary accruals and capital investment decisions, investigating how the manipulation of accruals impacts investment choices and financial decision-making processes in corporations.

Audit committee attributes and financial reporting quality

The relationship between audit committee attributes and financial reporting quality has been the subject of extensive research in the field of corporate governance and accounting. Audit committees play a crucial role in enhancing the credibility, reliability, and transparency of financial reporting by providing oversight of the financial reporting process and interactions with external auditors. Several key factors contribute to the effectiveness of audit committees in influencing financial reporting quality, audit committee members should be independent of management and free from any conflicts of interest. Independent audit committees are more likely to provide unbiased oversight of financial reporting activities and challenge management's assumptions and judgments, leading to higher quality financial disclosures. Recent research indicates that audit committee independence is significantly associated with enhanced financial reporting quality (Rainsbury et al. 2023).

Audit committee members with financial expertise or background in accounting, finance, or auditing can better understand complex financial issues and assess the quality of financial information. Their expertise enables them to ask relevant questions, evaluate financial risks, and provide valuable insights into financial reporting matters. Studies have shown that financial expertise among audit committee members is crucial for improving financial reporting quality (Hoang et al. 2020). Diligence: Active participation and engagement of audit committee members in overseeing financial reporting activities are essential for enhancing financial reporting quality. Diligent audit committees regularly review financial statements, internal controls, and audit findings, ensuring compliance with regulatory requirements and best practices. Evidence suggests that diligent audit committees are linked to improved accuracy and reliability of financial reporting (Umoh, 2021). Communication with external auditors: Effective communication between audit committees and external auditors facilitates the exchange of information, clarification of audit issues, and resolution of significant accounting matters. Open and transparent communication enhances the quality of financial reporting by addressing potential discrepancies or deficiencies in financial disclosures. Recent studies highlight the importance of strong communication channels between audit committees and external auditors for high-quality financial reporting (Knechel, et al. 2022). Accountability: Audit committees are accountable for ensuring the accuracy and integrity of financial reporting within the organization. By holding management accountable for financial reporting decisions and outcomes, audit committees promote a culture of transparency, accountability, and ethical behavior that supports high-quality financial reporting. Research underscores that accountability mechanisms within audit committees are vital for sustaining high financial reporting standards (Cohen et al., 2022).

Overall, a well-functioning audit committee that exhibits independence, financial expertise, diligence, effective communication with external auditors, and strong accountability mechanisms is more likely to contribute to the improvement of financial reporting quality in organizations. By fulfilling their oversight responsibilities and actively monitoring the financial reporting process, audit committees can enhance investor confidence, mitigate financial reporting risks, and uphold the credibility of financial information.

Audit committee expertise and financial reporting quality

The relationship between audit committee expertise and financial reporting quality (FRQ) is a significant area of corporate governance research. Audit committee expertise refers to the presence of members with a strong background in finance, accounting, or relevant domains, which enables them to effectively oversee financial reporting and enhance the credibility of financial statements. Audit committees with financial expertise are better equipped to detect and prevent earnings manipulation. Mardessi (2021) found that financial experts on audit committees significantly reduce real earnings management, thus improving the overall quality of financial reporting. According to Butler, (2023), audit committees with accounting and financial expertise ensure stricter adherence to accounting standards, resulting in fewer misstatements and improved accuracy in financial reports. Expertise within audit committees reinforces corporate governance by enhancing oversight capabilities and fostering investor confidence. This is particularly evident in firms operating in complex industries, where specialized knowledge helps address intricate financial issues.

The effectiveness of audit committee expertise is moderated by factors like audit quality and regulatory environments. For example, in the Netherlands, Mardessi, (2021) highlighted that audit quality amplifies the positive impact of audit committee expertise on financial reporting quality. Audit committee expertise is a critical determinant of financial reporting quality, with substantial evidence supporting its role in minimizing earnings management and improving the reliability of financial disclosures. However, its effectiveness may depend on additional factors, such as audit quality, regulatory compliance, and industry-specific challenges.

Chen & Zhang (2021) found that audit committees with financial expertise are more effective at detecting earnings manipulation, particularly in firms facing high pressure to meet earnings targets. Expertise allows these committees to critically evaluate accounting estimates and detect irregularities in accrual. Audit committee expertise contributes to improved financial reporting quality by enabling robust oversight, reducing earnings manipulation, ensuring compliance with standards, and fostering investor confidence. The effectiveness of this expertise is amplified by strong regulatory frameworks, higher audit quality, and industry-specific challenges.

Audit committee independence and financial reporting quality

Audit committee independence has been widely studied in the context of its impact on financial reporting quality (FRQ). The independence of an audit committee refers to the presence of non-executive, unbiased members who are not involved in the management of the company, ensuring objective oversight of financial reporting and audit processes. Studies show that independent audit committees improve FRQ by reducing earnings management practices and promoting transparency. For example, Mardessi (2022) found a significant positive relationship between audit committee independence and reduced real earnings management, particularly when audit quality serves as a moderating factor. This reinforces the idea that independence enables committees to scrutinize financial statements more effectively.

The agency theory suggests that independent audit committees act as effective monitors of management, mitigating conflicts of interest and ensuring accurate reporting. Empirical findings, such as those discussed by Kamarudin et al. (2017), affirm that greater independence correlates with lower discretionary accruals and higher financial reporting quality. While many studies support the positive impact, some research identifies nuances in the relationship. For instance, Poretti et al. (2018) highlighted that higher independence in audit committees sometimes leads to stronger market reactions to earnings announcements, but the extent of this impact may depend on other contextual factors, such as regulatory environments and corporate governance practices.

Poretti et al. (2018) argued that independent audit committees positively influence market perceptions of FRQ. They found that markets react favorably to financial reports issued under the oversight of independent audit committees, reflecting greater confidence in reported earnings. Hasan et al. (2020) identified that independence alone is not always sufficient to guarantee FRQ; additional factors, such as the financial expertise of committee members and audit quality, play crucial roles in strengthening this relationship. Audit committee independence is a cornerstone of effective governance, directly impacting FRQ by reducing earnings manipulation and enhancing report reliability. However, its effectiveness can depend on additional variables such as financial expertise, meeting frequency, and regulatory frameworks.

Audit committee meeting and financial reporting quality

Audit committees are responsible for overseeing the integrity of a company's financial statements and ensuring compliance with regulations and standards. Prior studies such as Alzoubi (2019), Hamdan (2020) and Ngo and Le (2021) uncovered that audit committee meetings has no relationship with financial reporting quality. Also, prior studies have reported significant relationship between audit committee meetings and financial reporting quality.

Ashari and Krismiaji (2020) uncovered that audit committee meetings has a significant relationship with financial performance. In order to maintain internal auditor independence, internal auditors must have the freedom to carry out their work without any undue influence from management. Thus, audit committee meetings play a crucial role in enhancing internal auditor independence. Audit committee meetings act as a safeguard by providing a forum for internal auditors to directly communicate and report their findings to an independent body within the municipality. In this case, audit committees can assess the effectiveness of internal controls and evaluate any potential limitations or concerns raised by internal auditors. This transparency helps prevent any interference with the internal audit function, allowing internal auditors to work independently and effectively in identifying risks and improving processes.

Audit committee meetings serve as a check-and-balance system that promotes internal audit independence within municipalities. Alzeban (2018) indicated that there is significant relationship between internal audit and audit committee meetings and financial reporting quality. Alhossini et al. (2021) and Gebrayel et al. (2018) reported that the regular interactions between the audit committee and internal auditors can enhance the financial sustainability of municipalities.

Audit committee meetings play a crucial role in moderating the size of the internal audit function. During these meetings, the audit committee members review and assess the performance of the internal auditors and their work. Audit committees evaluate if internal auditors are providing value-added services or just going through the motions. If audit committees find inefficiencies or redundancies in the internal audit department, they might recommend streamlining or restructuring to optimize resources and ensure cost effectiveness. Additionally, audit committee meetings also allow for open discussions about any concerns regarding the scope and coverage of audits, helping to strike a balance between thoroughness and practicality. Basically, audit committee meetings act as a reality check for the size of internal audit by keeping it in check and ensuring it meets organizational needs without going overboard.

Alzeban (2018) indicated that there is significant relationship between internal audit and audit committee meetings and financial reporting quality. Alhossini et al. (2021) and Gebrayel et al. (2018) reported that the regular interactions between the audit committee and internal auditors can enhance the financial sustainability of municipalities. Alzeban (2020) reported no significant relationship between internal auditors and audit committee attributes thereby enhancing financial sustainability. Audit committee meetings play a crucial role in moderating internal auditor competence. These meetings provide an opportunity for the audit committee members to evaluate the performance of the internal auditors and ensure they have the required expertise and knowledge. The audit

committee reviews various aspects like internal auditor's professional qualifications, training programs attended, and relevant certifications held.
Audit committees also assess if the internal auditors are keeping up with industry standards and regulatory requirements. During these meetings, any concerns or gaps in their competence can be identified and addressed through constructive feedback or additional training initiatives. This ensures that internal auditors stay updated with evolving business practices and regulations, therefore enhancing their overall competency level. By having this oversight function within audit committee meetings, municipalities can prioritize continual improvement in the skills of their internal auditors, ultimately boosting their effectiveness in assessing risks and providing reliable assurance to management thereby enhancing financial sustainability. Alzeban (2018) indicated that there is significant relationship between internal audit and audit committee meetings and financial reporting quality. Alhossini et al. (2021) and Gebrayel et al. (2018) reported that the regular interactions between the audit committee and internal auditors can enhance the financial sustainability of municipalities. Alzeban (2020) reported no significant relationship between internal auditors and audit committee attributes thereby enhancing financial sustainability.

Audit committee size and financial reporting quality

Alqatamin and Alqatamin (2024) summarized that larger audit committee size is positively associated with financial reporting quality. This is due to the enhanced capacity for monitoring and oversight. The study examined Jordanian non-financial firms and found that larger committees provided better oversight, reducing errors in financial reporting. Lin and Hwang, (2023) concluded that audit committee size has a significant impact on financial transparency and quality. Larger committees were linked to fewer financial restatements and enhanced disclosures. Conducted in the U.S., the study highlighted the need for committees to include a diverse set of members to improve governance. Adegbite et al. (2023) suggested that there is an optimal size for audit committees (typically 4-6 members), where financial reporting quality improves. Larger committees beyond this threshold may face challenges in coordination. Also focused on firms in developing economies, the study emphasized balancing size and member expertise. Umoh, (2021) concluded that no significant relationship was found between audit committee size and financial reporting quality. The authors argue that member expertise and independence are more critical factors. Based on an analysis of Egyptian firms, the study suggests that size alone does not enhance reporting quality. Shah & Malik (2022) suggested that a moderate-sized audit committee is most effective in curbing earnings management practices, thereby enhancing financial reporting quality. Research conducted in Asian emerging markets found a direct relationship between audit committee size and reduced manipulative practices.
Alqatan & Choudhary (2024) found that larger audit committees reduce audit reporting lag and improve timeliness, which indirectly enhances financial reporting quality. Examining firms in the Gulf region, the study stressed the importance of balancing size with active participation. The relationship between audit committee size and financial reporting quality has been studied extensively in corporate governance literature. Below are definitions and insights from various authors, emphasizing the role of audit committee size in ensuring accurate and reliable financial reporting: Alqatamin et al. (2024) Audit committee size refers to the total number of members in the audit committee. A larger size is hypothesized to improve financial reporting quality by enhancing the diversity of skills, perspectives, and oversight capacity. A positive relationship was observed between larger audit committee sizes and improved financial reporting quality in Jordanian firms.
Audit committee size is the numerical strength of the committee tasked with overseeing financial reporting and disclosure processes. Larger audit committees were found to provide better monitoring, though diminishing returns occur beyond an optimal size. Lin & Hwang (2023) audit committee size reflects the total count of independent and expert members ensuring robust oversight of financial disclosures. Larger committees correlated with fewer restatements and improved audit quality in U.S.-based firms. shah & Malik (2022) audit committee size is defined as the headcount of individuals on the committee, often representing diversity in expertise and independence. Committees with 4-6 members were most effective in improving financial reporting quality in Asian emerging markets. Audit committee size refers to the total members in the audit committee, balancing independence and expertise for effective governance and found no significant relationship between committee size and financial reporting quality in Egyptian firms (Ghabranious & Ismail 2024). While a larger audit committee size can improve financial reporting quality by incorporating diverse expertise and improving oversight, its impact depends on contextual factors such as the quality of members, firm-specific characteristics, and governance practices.

Audit firm tenure and financial reporting quality

The relationship between audit tenure and financial reporting quality has been a subject of extensive research and debate, with mixed findings on whether longer or shorter audit tenures are more beneficial. According to Adeyemi et al. (2012), audit-firm tenure is considered as a determinant of an effective and qualitative financial reporting, measured as the length of the audit-firm-client relationship as of the financial year-end covered by the audited financial statements. The length of the auditor/client relationship potentially affects both the auditor's technical ability to identify misstatements and the auditor's objectivity in correcting or reporting those misstatements. Kraub and Zulch (2013) defined short time audit tenure as duration of from one to three years, while long time audit tenure on the contrary is defined as consecutive audit the engagement tenure of seven years or more. On the basis of definition of short and long-term tenure, Adeyemi et al. (2012), also define audit tenure as 'medium tenure' when the same auditor has audited the financial statements for four to eight years. Prior studies have documented two view points of the effect of audit tenure on the credibility of financial statements; regulators view and economic view. The regulators view observes that a long association between a client and an audit firm may lead to the impairment of auditor independence (Ouyang & Wan, 2013).

Chen et al. (2022) examined the impact of auditor tenure on audit quality, particularly in the context of mandatory audit firm rotation policies. The findings suggest that while longer auditor tenure can enhance audit quality through better client understanding, it can also compromise auditor independence.

Ibrahim et al. (2021) explored how auditor independence and expertise interplay with audit tenure to influence audit quality. The study concluded that extended tenure can lead to reduced independence, which may harm audit quality, despite increased auditor expertise. Hwang et al. (2020) investigated the relationship between audit tenure and earnings management in Korean firms. The findings indicate that longer audit tenure is associated with higher levels of earnings management, suggesting that auditor complacency may increase over time. Liao et al. (2021) reviewed the effects of mandatory audit firm rotation on audit quality across various jurisdictions. The analysis highlights that mandatory rotation can improve audit quality by introducing fresh perspectives, but it may also lead to short-term inefficiencies.

Omoye et al. (2020) examined the moderating effect of audit tenure on the relationship between corporate governance mechanisms and audit quality in Nigerian firms. The results suggest that effective corporate governance can mitigate the potential negative effects of long audit tenure on audit quality. Adeyemi et al. (2021) focused on the healthcare sector in Nigeria, analyzing how audit tenure affects the quality of financial reporting. The findings indicate that longer audit tenures are associated with better financial reporting quality due to enhanced auditor understanding of the complex regulatory environment in healthcare. The concept of audit tenure is crucial for understanding the dynamics of audit quality and financial reporting. Recent research indicates that while extended audit tenure can lead to improved auditor expertise and a better understanding of the client's business, it can also pose risks to auditor independence and objectivity. Studies suggest that a balance must be struck, potentially through mechanisms like mandatory audit firm rotation, to ensure high audit quality and reliable financial reporting. The specific context of the healthcare sector in Nigeria adds another layer of complexity, as the regulatory environment and operational challenges can significantly impact the relationship between audit tenure and financial reporting quality.

Theoretical framework

Agency theory by Ross and Mitnick (1973)

According to agency theory, having audit committee members with financial expertise enhances the committee's ability to oversee financial reporting and reduce agency costs. Ghazali (2021) and Gerayli et al. (2021) argue that financial expertise among audit committee members enables them to better assess the accuracy of financial statements and identify potential risks or irregularities. This reduces the likelihood of financial misreporting, aligning the interests of management and shareholders. Financially knowledgeable audit committee members can better monitor manage management, ensuring that financial reporting meets regulatory standards and is free from manipulation.

Ogundana et al. (2021) find that the independence of the audit committee is positively correlated with the quality of financial reporting, as independent committees are more likely to scrutinize financial reports impartially, without being influenced by management. This aligns with the agency theory's assertion that independence reduces the risk of biased decision-making by management

Agency theory best anchors the study because it directly addresses the central role of the audit committee in mitigating agency conflicts, ensuring management accountability, and improving financial reporting quality in listed conglomerate firms in Nigeria. Other theories like Resource Dependency, Stakeholder theories provide complementary insights, but they do not form the core theoretical foundation of this study. Agency theory is a relevant theoretical framework for understanding the relationship between audit committee effectiveness and financial reporting quality in listed conglomerate firms in Nigeria. Agency theory posits that there is a principalagent relationship in organizations where owners (principals) delegate decision-making authority to managers (agents) to act on their behalf.

Stakeholder theory by Edward Freeman (1984)

Stakeholder Theory emphasizes that organizations have responsibilities to a wide range of stakeholders, including shareholders, employees, customers, suppliers, regulators, and the community, rather than focusing solely on maximizing shareholder wealth. This theory aligns with the role of audit committees and their attributes in promoting high-quality financial reporting, particularly for listed conglomerate firms in Nigeria. The attributes of audit committees, such as independence, expertise, size, and diligence, significantly influence financial reporting quality and stakeholder trust. An independent audit committee ensures objective oversight of financial reporting, addressing the concerns of multiple stakeholders who rely on accurate and unbiased information. According to Uwuigbe et al. (2019), independent audit committees are crucial for protecting stakeholder interests by mitigating the risk of managerial opportunism in Nigerian firms. Audit committees with financial expertise ensure the accuracy and reliability of financial reports, which is essential for informed stakeholder decision-making. A study by Ogundana et al. (2017) found that financial expertise in Nigerian conglomerates' audit committees enhanced the credibility of their financial statements. Frequent meetings and active engagement of audit committee members improve oversight, aligning with stakeholders' demand for transparency and accountability. Al-Matari et al. (2014) highlighted the importance of audit committee diligence in ensuring timely and accurate financial reporting in emerging economies. Stakeholder theory underscores the need for high-quality financial reporting to meet the information needs of diverse stakeholders. In Nigerian conglomerate firms: Accurate financial reporting enhances investor confidence, which is critical in volatile markets. Transparent reports help regulators assess compliance with financial and corporate governance standards. Reliable financial data supports creditors in evaluating credit risk and decision-making. Okoye and Alao (2020) demonstrated that high-quality financial reporting, facilitated by effective audit committees, fosters stakeholder trust and enhances firm performance in Nigeria.

In Nigeria, listed conglomerate firms operate in a complex and dynamic environment with diverse stakeholder demands. The application of stakeholder theory ensures that audit committees play a pivotal role in maintaining financial reporting integrity, which is vital for, effective audit committees address the concerns of regulators like the Securities and Exchange Commission (SEC) and the Nigerian Stock Exchange. Building Public Trust: Reliable financial reports contribute to the reputation of conglomerates in Nigeria, satisfying societal stakeholders Adegbite et al. (2017) argued that robust corporate governance structures, including effective audit committees, are instrumental in meeting stakeholder expectations in Nigerian firms.

Stakeholder theory provides a framework for understanding the relationship between audit committee attributes and financial reporting quality in Nigerian listed conglomerates. By fostering independence, expertise, and diligence in audit committees, these firms can meet the diverse needs of their stakeholders, ultimately enhancing their accountability, transparency, and overall performance.

Empirical review

Aminu (2024) examined the impact of audit committee independence and expertise on financial reporting quality of listed commercial banks in Nigeria. The study covered a period of ten (10) years from 2013 to 2022. The study used panel data research design techniques for a sample of eight (8) commercial banks out of the fourteen (14) quoted banks on the Nigerian Exchange Group. The data for the study were collected from the annual accounts of the sampled banks through the measurements of the variables. The study found that audit committee independence (ACIND) has a negative significant impact on financial reporting quality (FRQ) and audit committee expertise (ACEXP) has a positive insignificant impact on financial reporting quality (FRQ).

Grace and Doutimiareye (2024) examined the relationship between audit committee characteristics and financial reporting quality of listed deposit money banks in Nigeria. The study dimensions of size of audit committee and independence of audit committee were used relevance are the measures. The targeted population of this study consists of fourteen (14) listed deposit money banks in the Nigerian Exchange Group (NGX) and the time frame considered for this study was 2013-2022 for the purpose of secondary data collection. The study further showed that firm size has moderating influence over the relationship between audit committee characteristics and financial reporting quality. Based on the findings, the study concluded that audit committee characteristics has insignificant and negative relationship with financial reporting quality of listed deposit money banks in Nigeria.

Moses Ekaruwe (2024) examined effect of audit committee attributes on financial reporting quality of commercial banks listed on the Nigeria stock exchange. It employed ex post facto research design and extracted data from annual reports of a cross section of 14 banks from 2007 to 2022. It employed audit committee attribute variables such as audit committee size, audit committee independence, audit committee meetings and board size while capital adequacy was used to measure financial reporting quality. The data collected were analyzed using panel regression analysis and the result reveled that audit committee size and audit committee independence have positive but insignificant effect on capital adequacy of listed commercial banks in Nigeria while audit committee meetings and board size have negative and insignificant effect on capital adequacy of listed commercial banks in Nigeria.

Esitime et al., (2024) examined the effect of audit committee effectiveness on financial reporting quality within the context of listed non-financial firms in Sub-Saharan Africa. Drawing samples from 235 listed non-financial firms in Nigeria, South Africa, and Kenya spanning the period from 2013 to 2022, the study employed Generalized Method of Moments (GMM) step and Stepwise Regression Techniques to analyze the data. The primary objective of the study was to investigate the effect of audit committee effectiveness, including size, diligence, and financial expertise, on financial report quality, as measured by Jones Discretionary Accrual. Additionally, the study extends this objective by examining the moderating role of board independence on the relationship between audit committee attributes and financial reporting quality.

Ahmed et al. (2024) assessed the moderating effect of joint audit (JA) on the relationship between audit committee effectiveness (ACEFF) and audit quality (AQ) in Egypt. The sample included 61 non-financial corporations listed on the Egyptian Exchange from 2016 through 2020. The results are estimated using panel data analysis with fixed-effect models. The findings exhibit that audit committee (AC) independence, ACEFF; and audit firm size negatively affect AQ. Conversely, the influence of AC meetings on AQ is positive and significant. The findings also reveal that JA moderates the relation between the ACEFF and AQ.

Dea and Theresia (2024) examined the impact of audit quality, audit committees, and internal control systems on the quality of financial reporting. The study population consists of financial companies listed on the IDX during the period 2018-2022. This study uses multiple linear regression analysis with the help of SPSS version 25. The purpose of this paper is to investigate the association between gender diversity on the audit committees and the incidence of financial restatements. Using a sample of 683 firm-year observations from Iranian listed companies for the period 2013 to 2017, this paper uses a logistic regression model to examine a research hypothesis related to the association between the presence of female members on the audit committee and the incidence of financial restatements.

Monye-Emina and Akhor (2023) conducted a study on audit firm dynamics and timeliness of financial reporting, using an ex post facto research method and analyzed secondary data from the annual reports of 15 insurance companies listed on the Nigerian Stock Exchange from 2019 to 2021. The researchers utilized a multiple regression approach to assess the data and found a significant association between audit committee independence, audit committee meeting, financial expertise and audit committee gender diversity and financial reporting timeliness.

METHODOLOGY

This study adopted ex-post facto research design. This design was suitable because the data for the analysis had already existed, leaving no room for the researcher to manipulate the variables under study. The study population comprised six (6) conglomerate firms listed on the floor of the Nigerian Exchange Group from 2014 to 2023. These firms are as follows: Chellarams PLC, Custodian investment PLC, John Holt PLC, SCOA Nig. PLC, Transitional Corporation PLC and UAC Nig. PLC. The sample size for this study is 6. This implies that all the listed conglomerates formed part of the study. This study adopted census or complete enumeration sampling technique. This technique allows for comprehensive understanding of the entire population and provides an accurate baseline for future comparisons and studies. The data for the dependent and independent variables was extracted from the financial report. The panel data methodology was suitable for the study. The study adopted panel least squares regression in analyzing the data via Eviews 10.0. The data conformed to the standardized regression assumptions, that is, linearity, homoscedasticity, normality and independence of data. The decision was based on 5% level of significance. Accept null hypothesis (Ho) if probability value (i.e. P-value or Sig.) is greater than or equals to (≥) stated 5% level of significance (α); otherwise, reject and accept alternate hypothesis (H1), if p-value or sig. calculated is less than 5% level of significance. To achieve the stated objectives of the study, as well as testing the study hypotheses, the researcher adapt and modified the model of Atagboro and Ogiriki, (2022) and modified thus;

$DAit = \beta 0 + \beta 1AUDCI_{it} + \beta 2AUDCT_{it} + \beta 3AUDCM_{it} + AUDCExp_{it} + AUDCS_{it} + \mu$ it …….(2).

Where;

DAit	=	Discretionary accrual
AUDCIit	=	Audit committee independence
AUDCFtnre	=	Audit firm tenure
AUDCMit	=	Audit committee meetings
AUDCExp	=	Audit committee expertise
AUDCSiz	=	Audit committee size

β0	=	Intercept or regression constant
β1, β2 β3	=	Regression coefficients to be estimated for firm i in period t
μ	=	Stochastic error term.

4.1 DATA PRESENTATION

The data for this study is presented in table 4.1 in Appendix I. The data comprise a panel data of sixty (60) pooled observations across six (6) listed conglomerate firms in Nigeria for ten (10)-year period (2014-2023). The data include the dependent variable - Discretionary accrual (DA) and the independent variables which were audit committee independence (AUDCI), audit firm tenure (AUDFT), audit committee expertise (AUDExp), audit committee meetings (AUDCM) and audit committee size (AUDCZ) of listed conglomerate firms in Nigeria.

4.2 Data analysis

Various statistical techniques were utilized in the analysis of data presented in table 4.1 (see Appendix II). These include descriptive statistics, regression assumption tests and panel multiple regression analysis. The results from the panel multiple regression analysis were used in the testing of the research hypotheses which had been stated in the first section of this work.

4.2.1 Descriptive statistics

This was conducted to understand the behaviour of the data using various statistics including mean, standard deviation, skewness, and kurtosis. The result for the descriptive statistics analysis is as presented in table 4.2 below;

Table 4.2 Descriptive statistics results

	DA	AUDCI	AUDFT	AUDCEXP	AUDCM	AUDCSZ
Mean	0.306009	0.475159	2.600000	2.716667	2.800000	5.616667
Median	0.263415	0.500000	3.000000	3.000000	3.000000	6.000000
Maximum	5.027882	0.666667	5.000000	4.000000	4.000000	7.000000
Minimum	-0.455014	0.333333	1.000000	2.000000	2.000000	5.000000
Std. Dev.	0.682396	0.086886	1.181783	0.738566	0.632456	0.555151
Skewness	5.753677	0.327876	0.193861	0.497253	0.178366	0.128926
Kurtosis	39.91168	2.511272	2.061740	1.992436	2.407929	2.114423
Jarque-Bera	3737.228	1.672168	2.576651	5.010568	1.194514	2.126839
Probability	0.000000	0.433404	0.275732	0.081652	0.550319	0.345273
Sum	18.36057	28.50952	156.0000	163.0000	168.0000	337.0000
Sum Sq. Dev.	27.47421	0.445401	82.40000	32.18333	23.60000	18.18333
Observations	60	60	60	60	60	60

Source: Researcher's computation (2024) using E-views 10.0

The results in table 4.2 above indicates that the dependent variable- Discretionary accrual (DA) and the independent variables which were audit committee independence (AUDCI), audit firm tenure (AUDFT), audit committee expertise (AUDExp), audit committee meetings (AUDCM) and audit committee size (AUDCZ) of listed conglomerate firms in Nigeria have mean scores of approximately 0.306, 0.475, 2.600, 2.717, 2.800 and 5.617 respectively. The median values obtained for Discretionary accrual (DA) and the independent variables which were audit committee independence (AUDCI), audit committee tenure (AUDT), audit committee expertise (AUDExp), audit committee meetings (AUDCM) and audit committee size (AUDCZ) of listed conglomerate firms in Nigeria were approximately 0.263, 0.50, 3.00, 3.00, 3.00 and 6.00 respectively. These constitute the middle values for the distributions of these variables under the period covered in this study (2014-2023).

In terms of the level of variability and dispersion in the distribution of these variables, the standard deviations obtained for Discretionary accrual (DA), audit committee independence (AUDCI), audit committee tenure (AUDT), audit committee expertise (AUDExp), audit committee meetings (AUDCM) and audit committee size (AUDCZ) of listed conglomerate firms in Nigeria were approximately 0.682, 0.086, 1.182, 0.738, 0.632 and 0.555 respectively. This indicates varying levels of variability in the distribution with audit committee tenure (AUDT) indicating high variations over the years (2014-2023). Similarly, the skewness values obtained for Discretionary accrual (DA), audit committee independence (AUDCI), audit committee tenure (AUDT), audit committee expertise (AUDExp), audit committee meetings (AUDCM) and audit committee size (AUDCZ) of listed conglomerate firms in Nigeria were respectively 5.753, 0.327, 0.193, 0.497, 0.178 and 0.128 respectively. This quantifies the asymmetry of the distributions.

In addition, the kurtosis values obtained for Discretionary accrual (DA), audit committee independence (AUDCI), audit committee tenure (AUDT), audit committee expertise (AUDExp), audit committee meetings (AUDCM) and audit committee size (AUDCZ) of listed conglomerate firms in Nigeria were approximately 39.911, 2.511, 2.061, 1.992, 2.407, 2.114 respectively. Since the values of the kurtosis are greater than zero (0), it indicates a leptokurtic distribution, hence the presence of outliers in the data.

4.2.2 Model evaluation

Residual and coefficient diagnostics were however conducted to assess the suitability of the model as stated in the previous section. These include normality test, multicollinearity test, heteroscedasticity test and autocorrelation assessment.

4.2.2.1 Normality test

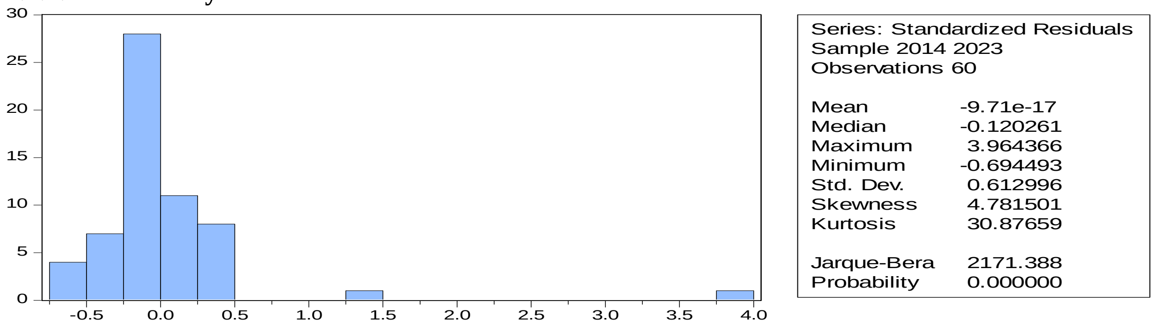

Fig. 4.1 Jarque-Bera Normality test results
Source: E-views 10.0 Output (2024)

The essence of a normality test is to determine if a dataset or sample follows a normal distribution. This is important because many statistical models assume normality, and deviations from normality can affect the validity of statistical inference. The Jarque-Bera test was employed in this case. As applied, if the p-value associated with the Jarque-Bera test is below a predetermined significance level ($p<0.05$), then we reject the null hypothesis and conclude that the data do not follow a normal distribution. With a p-value of 0.000000, there is sufficient evidence to conclude that the data were not normally distributed.

4.2.2.2 Multicollinearity test

In examining the association among the variables, the study employed the Spearman Rank Correlation Coefficient (correlation matrix), and the results are as presented in table 4.3 below.

Table 4.3 Correlation matrix

	DA	AUDCI	AUDFT	AUDCEXP	AUDCM	AUDCSZ
DA	1.000000					
AUDCI	-0.081584					
AUDT	-0.061550	0.025158	1.000000			
AUDCEXP	0.153709	0.148167	-0.016007	1.000000		
AUDCM	0.494040	0.161299	-0.212618	0.103218	1.000000	
AUDCSZ	-0.324972	0.341029	0.012158	0.163953	-0.173521	1.000000

Source: Researcher's computation (2024) using E-views 10.0

Table 4.3 above shows the association between two pairs of the variables of the study. Of particular interest is the relationship existing between each pair of the independent variables. As highlighted, no pair of the independent variables have correlation coefficient greater than 0.80 suggesting the absence of multicollinearity issues in the series.

4.2.2.3 Heteroscedasticity test

Table 4.4 Heteroscedasticity test

Test	Statistic	d.f.	Prob.
Breusch-Pagan LM	14.11190	15	0.5171
Pesaran scaled LM	-1.257590		0.2085
Pesaran CD	-0.005989		0.9952

Source: E-views 10.0 Output (2024)

The statistics and probability value associated with the Breusch-Pagan LM test otherwise known as the Breusch-Pagan Godfrey test help determine whether there is evidence of heteroscedasticity in the regression model. A low p-value ($p<0.05$) suggests evidence against the null hypothesis in favour of the alternate hypothesis which indicates the presence of heteroscedasticity in the regression model. With a p-value of 0.5171 ($p>0.05$), there is sufficient evidence to accept the null hypothesis, thus, conclude that the predictor variables in the regression model were homoscedastic.

4.2.2.4 Autocorrelation

Autocorrelation, also known as serial correlation, occurs when there is a correlation between the residual errors of a time series or panel data over time. Autocorrelation tests examine whether the residuals are independently distributed or if there is a systematic pattern of dependence. The Durbin-Watson statistic is commonly used to test for autocorrelation, with values close to 2 indicating no significant autocorrelation. The Durbin-Watson statistic as obtained from the panel regression results (see Appendix II) was utilized in this case. The Durbin-Watson statistic value of 2.659 suggests that there is no evidence of autocorrelation in the residuals of the model.

4.3 Test of hypotheses

Each of the hypotheses in this study was tested based on the result obtained from the panel multiple regression analysis. The result that relates to these hypotheses is summarized in table 4.5 below;

Table 4.5 Panel multiple regression results

Dependent Variable: DA
Method: Panel Least Squares
Date: 12/12/24 Time: 22:46
Sample: 2014 2023
Periods included: 10
Cross-sections included: 6
Total panel (balanced) observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.150700	1.038126	0.145166	0.0000
AUDCI	-1.164886	1.033417	-3.127218	0.0046
AUDFT	0.035753	0.072190	0.495261	0.6224
AUDCEXP	-0.025782	0.115338	-4.223532	0.0000
AUDCM	-0.002790	0.140316	-1.656791	0.0634
AUDCSZ	-0.232096	0.163472	-1.419790	0.1614

R-squared	0.643058	Mean dependent var	0.306009
Adjusted R-squared	0.618341	S.D. dependent var	0.682396
S.E. of regression	0.640748	Akaike info criterion	2.042277
Sum squared resid	22.17010	Schwarz criterion	2.251711
Log likelihood	-55.26831	Hannan-Quinn criter.	2.124198
F-statistic	12.83859	Durbin-Watson stat	2.659890
Prob(F-statistic)	0.000004		

Source: Researcher's computation (2024) using E-views 10.0

The multiple regression line is as written below:

*DA = 0.150700466875 -1.16488609833*AUDCI +0.0357528869768*AUDFT - 0.0257816860512*AUDCEXP - 0.002790433198*AUDCM -0.232096180587*AUDCSZ +* $_{\mu}$

Based on the regression results above, when the independent variables- audit committee independence (AUDCI), audit firm tenure (AUDFT), audit committee expertise (AUDExp), audit committee meetings (AUDCM) and audit committee size (AUDCZ) of listed conglomerate firms in Nigeria are held constant (equal Zero), the dependent variable– Discretionary accrual (DA) increased at a constant average of approximately 0.15 units over the years (2014-2023). However, a one unit rise in audit committee independence (AUDCI), audit committee expertise (AUDExp), audit committee meetings (AUDCM) and audit committee size (AUDCZ) reduced discretionary accrual (TA) by approximately 1.164 units, 0.025 units, 0.002units and 0.232 units respectively. Also, a similar variation in audit firm tenure (AUDFT) increases discretionary accruals (DA) by 0.035 units.

R-squared and Adj. R-squared of 0.643058 and 0.618341 signifies that approximately 64% of the variations in the dependent variable- discretionary accrual (TA) is explained by the independent variables specified in the regression model. But, after adjustments, approximately 62% of the variation in the dependent variable was explained by the independent variables (audit committee independence (AUDCI), audit firm tenure (AUDFT), audit committee expertise (AUDExp), audit committee meetings (AUDCM) and audit committee size (AUDCZ) of listed conglomerate firms in Nigeria). In essence, the model explains 62-64% while the stochastic error term (μ) accounts for 36-38% of the variations.

4.3.1 Hypothesis one

H_0: Audit committee independence has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria

H_1: Audit committee independence has significant relationship with discretionary accrual of listed conglomerate firms in Nigeria.

By way of testing whether the variations in total accrual (TA) of listed deposit money banks in Nigeria caused by changes in audit committee independence (AUDCI) is significant. The T-test was carried out at .05 significance level with Ttab of 2.4469 given at $_{T0.05,6}$. From the result above, the Tcal of 3.1272 is greater than Ttab given at $_{T0.05,6}$. Hence, the null hypothesis which states that audit committee independence has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria fails to hold, thus rejected, and the alternative hypothesis accepted. The null hypothesis is further rejected given that at $_{T0.05,6}$, its probability value (p-value = 0.0046) is less than 0.0 ($p<0.05$).

4.3.2 Hypothesis two

H_0: Audit firm tenure has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria

H_1: Audit firm tenure has significant relationship with discretionary accrual of listed conglomerate firms in Nigeria.

The T-test of also adopted for audit firm tenure (AUDFT). From the result as shown in table 4.5 above, the Tcal of 0.4952 is less than Ttab given at $_{T0.05,6}$. Hence, the null hypothesis which states that audit firm tenure (AUDFT) has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria holds, thus accepted, and the alternative hypothesis rejected. The null hypothesis is further accepted given that at $_{T0.05,6}$, its probability value (p-value = 0.6224) is greater than 0.0 ($p>0.05$).

4.3.3 Hypothesis three

H_0: Audit committee expertise has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria

H_1: Audit committee expertise has significant relationship with discretionary accrual of listed conglomerate firms in Nigeria.

From the result as shown in table 4.5 above regarding audit committee expertise (AUDExp), the Tcal of 4.2235 is greater than Ttab of 2.4469 given at $_{T0.05,6}$. Hence, the null hypothesis which states that audit committee expertise (AUDExp) has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria fails to hold, thus rejected, and the alternative hypothesis accepted. The null hypothesis is further rejected given that at $_{T0.05,6}$, its probability value (p-value = 0.0000) is less than 0.0 ($p<0.05$).

4.3.4 Hypothesis four

H_0: Audit committee meetings have no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria

H_1: Audit committee meetings have significant relationship with discretionary accrual of listed conglomerate firms in Nigeria.

For audit committee meetings (AUDCM), the Tcal of 1.6567 is less than Ttab of 2.4469 given at $_{T0.05,6}$. As such, the null hypothesis which states that audit committee meetings (AUDCM) have no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria holds, thus accepted, and the alternative hypothesis rejected. The null hypothesis is further accepted given that at $_{T0.05,6}$, its probability value (p-value = 0.0634) is greater than 0.05 ($p>0.05$).

4.3.5 Hypothesis five

H_0: Audit committee size has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria

H_1: Audit committee size has significant relationship with discretionary accrual of listed conglomerate firms in Nigeria.

For audit committee size (AUDSz), the Tcal of 1.4197 is less than Ttab of 2.4469 given at $_{T0.05,6}$. Invariably, the null hypothesis which states that audit committee size (AUDSz) has no significant relationship with discretionary accrual of listed conglomerate firms in Nigeria holds, thus accepted, and the alternative hypothesis rejected. The null hypothesis is further accepted given that at $_{T0.05,6}$, its probability value (p-value = 0.1614) is greater than 0.05 ($p>0.05$).

4.4 DISCUSSION OF FINDINGS

4.4.1 Audit committee independence and discretionary accruals

The study found that audit committee independence has a significant negative relationship with discretionary accruals, indicating that independent audit committees are effective in preventing earnings management. Specifically, the study found that a one-unit increase in audit committee independence is associated with a 1.1648-unit decrease in discretionary accruals (Coeff. = -1.1648{0.0046}). This suggests that audit committees with independent members are more likely to provide effective oversight, leading to higher quality financial reporting. The implication of this finding is that regulators and stakeholders should prioritize audit committee independence when evaluating corporate governance mechanisms. This can be achieved by ensuring that audit committee members are independent, non-executive directors with no material relationships with the company. This is consistent with the findings of Aminu (2024), who found that audit committee independence has a negative significant impact on financial reporting quality. Similarly, Grace and Doutimiareye (2024) found that audit committee independence has an insignificant and negative relationship with financial reporting quality. Abubakar et al. (2023) also found that audit committee independence moderates the relationship between audit firm size and financial reporting quality.

4.4.2 Audit firm tenure and discretionary accruals

The study also revealed that audit firm tenure has no significant relationship with discretionary accruals, suggesting that longer-serving audit committee members may not necessarily be more effective in preventing earnings management. Specifically, the study found a non-significant positive coefficient of 0.0357 (Coeff. = 0.0357{0.6224}). This implies that audit firm tenure may not be a critical factor in determining audit committee effectiveness. The implication of this finding is that regulators and stakeholders should consider a range of factors, including audit committee independence, expertise, and meeting frequency, when evaluating audit committee effectiveness. By doing so, companies can promote a more comprehensive approach to corporate governance. This is consistent with the findings of Okerekeoti (2022), who found that audit firm tenure has a negative and insignificant influence on audit report timeliness. Additionally, Abubakar et al. (2023) found that audit firm tenure has a statistically significant relationship with timely financial reporting.

4.4.3 Audit committee expertise and discretionary accruals

The study also documented that audit committee expertise has a significant negative relationship with discretionary accruals, indicating that audit committees with more expertise are more effective in preventing earnings management. Specifically, the study found that a one-unit increase in audit committee expertise is associated with a 0.0257-unit decrease in discretionary accruals (Coeff. = -0.0257{0.0000}). This suggests that audit committees with members who possess relevant accounting, auditing, and financial expertise are better equipped to provide effective oversight. The implication of this finding is that regulators and stakeholders should prioritize audit committee expertise when evaluating corporate governance mechanisms. This can be achieved by ensuring that audit committee members possess the necessary skills, knowledge, and experience to provide effective oversight. This aligns with the findings of Marita and Sandhi (2023), who found that audit committee accounting and financial expertise are positively associated with earnings quality. Aminu (2024) also found that audit committee expertise has a positive insignificant impact on financial reporting quality. These findings suggest that companies should prioritize the appointment of audit committees with accounting and finance expertise to improve earnings quality.

4.4.4 Audit committee meetings and discretionary accruals

The study found that audit committee meetings have no significant relationship with discretionary accruals, suggesting that the frequency of audit committee meetings may not be a critical factor in determining audit committee effectiveness. Specifically, the study found a non-significant negative coefficient of -0.0027 (Coeff. = -0.0027{0.0634}). However, more frequent meetings may be associated with lower levels of discretionary accruals. The implication of this finding is that regulators and stakeholders should consider the frequency of audit committee meetings as one of several factors when evaluating audit committee effectiveness. While more frequent meetings may not be a guarantee of effective oversight, they can provide an opportunity for audit committee members to engage in more regular and rigorous discussions about financial reporting issues. This is in line with that of Aminu (2024), who found that audit committee meetings have a negative insignificant impact on financial reporting quality. Marita and Sandhi (2023) also used the amount of audit committee meetings as a control variable in their study.

4.4.5 Audit committee size and discretionary accruals

The study found that audit committee size has no significant relationship with discretionary accruals, suggesting that larger audit committees may not necessarily be more effective in preventing earnings management. Specifically, the study found a non-significant negative coefficient of -0.2320 (Coeff. = -0.2320{0.1614}). However, larger audit committees may be associated with lower levels of discretionary accruals. The implication of this finding is that regulators and stakeholders should consider audit committee size as one of several factors when evaluating audit committee effectiveness. While larger audit committees may not be a guarantee of effective oversight, they can provide a more diverse range of perspectives and expertise. This is consistent with the findings of Aminu (2024), who found that audit committee size has a positive insignificant impact on financial reporting quality. Moses Ekaruwe (2024) also found that audit committee size has a positive but insignificant effect on capital adequacy.

5.1 Summary of findings

This study examined the relationship between of audit committee attributes and financial reporting quality of listed conglomerate firms in Nigeria. The study covered ten (10)-year period (2014-2023) and adopted audit committee independence (AUDCI), audit firm tenure (AUDFT), audit committee expertise (AUDExp), audit committee meetings (AUDCM) and audit committee size (AUDCZ) as explanatory variables while financial reporting quality of measured by discretionary accruals using Modified Jones model. Below is a summary of findings gathered through a panel multiple regression analysis.

1. Audit committee independence has a significant negative relationship (Coeff. = -1.1648{0.0046}) with discretionary accrual of listed conglomerate firms in Nigeria. This implies that independent audit committees are more effective in constraining earnings management practices.
2. Audit firm tenure has a non-significant positive relationship (Coeff. =0.0357{0.6224}) with discretionary accrual of listed conglomerate firms in Nigeria. This implies that longer audit firm tenure does not necessarily lead to higher financial reporting quality.
3. Audit committee expertise has significant negative relationship (Coeff. = -0.0257{0.0000}) with discretionary accrual of listed conglomerate firms in Nigeria. This implies that audit committees with financial expertise are more effective in detecting and preventing earnings management practices.
4. Audit committee meetings have non-significant negative relationship (Coeff. = -0.0027{0.0634}) with discretionary accrual of listed conglomerate firms in Nigeria. This implies that the frequency of audit committee meetings does not have a significant impact on financial reporting quality.
5. Audit committee size has non-significant negative relationship (Coeff. = -0.2320{0.1614}) with discretionary accrual of listed conglomerate firms in Nigeria. This implies that the size of the audit committee does not have a significant impact on financial reporting quality.

5.2 CONCLUSION

In conclusion, this study provides valuable insights into the relationship between audit committee attributes and financial reporting quality of listed conglomerate firms in Nigeria. The findings of this study contribute to the existing body of knowledge on the importance of audit committee attributes in ensuring high-quality financial reporting. The study's results have significant implications for policymakers, regulators, and stakeholders in the Nigerian capital market. The study highlights the need for listed companies to prioritize the establishment of effective audit committees that can provide adequate oversight and monitoring of financial reporting processes.

This, in turn, can enhance the credibility and reliability of financial reports, which is essential for informed decision-making by stakeholders.

5.3 RECOMMENDATIONS

In line with the findings of this study, the following recommendations are necessary.

1. Listed conglomerate firms in Nigeria should prioritize the establishment of independent audit committees to effectively constrain earnings management practices.
2. Regulatory bodies should consider implementing policies that promote regular audit firm rotation to prevent the negative effects of long audit firm tenure on financial reporting quality.
3. Listed conglomerate firms in Nigeria should ensure that their audit committees comprise members with financial expertise to effectively detect and prevent earnings management practices.
4. Listed conglomerate firms in Nigeria should ensure that audit committee meetings are effectively utilized to discuss and address financial reporting issues, rather than just focusing on the frequency of meetings.
5. Listed conglomerate firms in Nigeria should determine the optimal size of their audit committees to ensure effective oversight and monitoring of financial reporting processes.

REFERENCES

Adegbite, E., Amaeshi, K., & Nakajima, C. (2017). Corporate governance in Nigeria: Understanding the stakeholder perspective. *Business Ethics Quarterly*, 43(6), 435-440.

Adegbite, E, Amaeshi, K, & Nakajima (2023). Corporate Governance and Financial Reporting Integrity. International Journal of Accounting Studies. 43(7), 123-126.

Adegbite, E., Amaeshi, K., & Nakajima, C. (2021). Corporate governance in Nigeria: Understanding the stakeholder perspective. *Business Ethics Quarterly*, 45(6), 213-215.

Adeyemi, S. B., & Fagbemi, T. O. (2022). Audit committee effectiveness and financial reporting quality in Nigerian firms. Intern*ational Journal of Business and Social Science*, 25(7), 256-261.

Adeyemi, S. B., & Okpala, O. (2021). Audit tenure and financial reporting quality in the Nigerian healthcare sector. *Journal of Health Care Finance*, 47(3), 29-45.

Adeyemi, S. B., Okpala, O., & Dabor, E. L. (2012). Factors affecting audit quality in Nigeria. *International Journal of Business & Social Sciences*, 3(20), 198-209.

Ado, A. B., Rashid, N., Mustapha, U. A., & Ademola, L. S. (2020). The impact of audit quality on the financial performance of listed companies Nigeria. *Journal of Critical Reviews*, 7(9), 37-42.

Ahmed Elmashtawy, Mohd Hassan Che Haat, Shahnaz Ismail, Faozi A Almaqtari, (2024). Audit committee effectiveness and audit quality: the moderating effect of joint audit quality. *Arab Gulf Journal of Scientific Research* 42 (3), 512-533.

Al Husban, R. R. I., Al-Matarneh, G. F., Ghaidan, E., & Alhusban, A. A. A. (2022). The effect of the quality of external auditing on the relationship between the rules of professional conduct and the quality of financial reporting. *Corporate & Business Strategy Review*, 3(1), 153–160.

Al Lawati, H., & Kuruppu, N. T. (2023). Audit committee characteristics and sustainable development goals: Evidence from the gulf cooperation council [Special issue]. C*orporate ownership & control*, 20(3), 305–316.

Alqatamin, R., & Alqatamin, R. (2024). Audit Committee Characteristics and Financial Reporting Quality. 46(7), 234-236.

Alqatan, H., & Choudhary, M. (2024). Audit Committees and Reporting Timeliness. International Review of Financial Studies,56(7), 78-80.

Al-Matari, E. M., Al-Swidi, A. K., & Fadzil, F. H. B. (2014). Audit committee characteristics and financial reporting quality: Evidence from Nigerian conglomerates. Global *Journal of Management and Business Research*, 23(4), 134-156.

Al Farooque, O., Buachoom, W., & Sun, L. (2019). Board, audit committee, ownership and financial performance–emerging trends from Thailand. *Pacific Accounting Review.*

Alhossini, M. A., Ntim, C. G., & Zalata, A. (2021). Corporate board committees and corporate outcomes: An international systematic literature review and agenda for future research. *The International Journal of Accounting*, 56(1),215 -218.

Al-Shaer, H., Salama, A., & Toms, S. (2017). Audit committees and financial reporting quality: Evidence from UK environmental accounting disclosures. *Journal of Applied Accounting Research*, 18(1), 2-21.

Alzeban, A. (2020). The relationship between the audit committee, internal audit and firm performance. *Journal of Applied Accounting Research* 21 No. 3, 2020 .437-454.

Alzoubi, E. S. S. (2019). Audit committee, internal audit function and earnings management: evidence from Jordan. *Meditarian Accountancy Research*, 27(1), 72-90.

Aminu Muhammad Abdullahi (2024). Impact of audit committee independence and expertise on financial reporting quality of listed commercial banks in Nigeria. *African Journal of Business and Economic Development* 4 (2), 17-26.

Amrah, R., & Obaid, M. (2019). Effective corporate governance mechanisms, ownership structure and financial reporting quality: evidence from Oman. Asia-Pacific *Management Accounting Journal*, 14(3), 121-154.

Ashari, S. & Krismiaji, K. (2020). "Audit committee characteristics and financial performance: Indonesian evidence", *Equity*, 139-152.

Ayinla, R. B., Aliyu, N. S., & Abdullah, A. A. (2022). Audit committee attributes and the financial reporting quality of listed deposit money banks in Nigeria. *Accounting and Taxation Review*, 6(2), .31-46.

Bédard, J., & Gendron, Y. (2010). Strengthening the Financial Reporting Chain: Auditors' Perspectives. *Contemporary Accounting Research*. 8(5), 45-47.

Bin-Ghanem, H., &Ariff, A.M. (2016). The effect of board of directors and audit committee effectiveness on internet financial reporting. *Journal of Accounting in Emerging Economies. 7(3), 135-140.*

Buallay, A., & Al-Ajmi, J. (2020). The role of audit committee attributes in corporate sustainability reporting: Evidence from banks in the Gulf Cooperation Council. *Journal of Applied Accounting Research,* 21(2), 249-264.

Butler, M. (2023). Auditor tenure and stakeholder perceptions of audit quality. *International Journal of Auditing*, 27(1), 54-67.

Chedi, O., & Chaya, J. (2020). The role of internal auditors to implement IFRS9: Case of Lebanese banks. *Journal of Economics and International Finance*, 12(1), 6-19.

Chen Chun-Cheng Lin, & Lin, Yuan-Cheng Lin. (2022). The effect of auditor tenure on audit quality: An empirical analysis of audit firm rotation policy. *Journal of Accounting and Public Policy*, 41(1), 106-108.

Chen, C., Lin, C., & Lin, Y. (2022). The effect of auditor tenure on audit quality: an empirical analysis of audit firm rotation policy. *Journal of Accounting and Public Policy*, 41(1), 106- 115.

Chalevas, C., Giannopoulos, P., Koutoupis, A., & Samara, A. (2021). Evaluating the role and effectiveness of the audit committee on the quality of financial reporting: evidence from Greek PIEs. *International Journal of Banking, Accounting and Finance*, 12(4), 368-388.

Chen, J., & Zhang, L. (2021). Audit Committee Expertise and Financial Reporting Quality. Ac*counting and Finance Journal*, 5(8), 56-58.

Cohen, J. R., Dunn, L. F., & Raiborn, C. A. (2020). An exploratory study of audit firm tenure and audit quality. *The CPA Journal*, 90(5), 24-29.

Cohen, J., Krishnamoorthy, G., & Wright, A. (2022). Corporate governance and the audit process. *Contemporary Accounting Research*, 39(1), 1-33.

Ebrahim, A., Fattah, R., & Girma, S. (2021). Auditor tenure and audit quality: The role of independence and expertise. *International Journal of Auditing*, 25(3), 567-585.

EI-Deeb, M.S. (2015). Disclosure attributes impact of corporate governance auditing quality and voluntary disclosures on the financial performance of banks listed in the Egyptian stock exchange market. *International Journal of Auditing*. 19(5), .41- 77.

Esitime Okon Essien, Eno Gregory Ukpong, Nkanikpo Ibok (2024). Audit Committee Effectiveness and Financial Reporting Quality of Listed Non-Financial Firms in Sub-Saharan Africa: The Moderating Role of Board Independence. *Journal of Business and African Economy.*

Felix, R., Pevzner, M., & Zhao, M. (2021). "Cultural Diversity of Audit Committees and Firms' Financial Reporting Quality." *Accounting Horizons*, 6(7), 56-57.

Feng, M., & Wang, X. (2022). The influence of audit firm tenure on audit quality: Evidence from China. *Accounting & Finance*, 62(1), 481-508.

Firnanti, F., & Karmudiandri, A. (2020). Corporate governance and financial ratios effect on audit report lag. *Accounting and Finance Review*, 5(1) 15 – 21.

Felix, M., Mo, Y., & Wong, P. (2021). Audit firm tenure and audit quality: A comprehensive review of the literature. *Journal of International Accounting Research*, 20(3), 95-114.

Gbadamosi, R. M. & Alade, M. E. (2024). Auditor's characteristics and timeliness of listed familyowned firms in Nigeria. *Accounting and Management Information System*. 23(1), 215-236.

Ghabranious, M., & Ismail, K. (2024). Audit Committees in Emerging Economies: A Mixed-Method Study. ARF Journals, 78(8), 45-49.

Gebrayel E, Jarrar H, Salloum C, Lefebvre Q. (2018). Effective association between audit committees and the internal audit function and its impact on financial reporting quality: Empirical evidence from Omani listed firms. *International Journal of Auditing*, 22(2), 197–213.

Gerayli, M. S., Pitenoei, Y. R., & Abdollahi, A. (2021). Do audit committee characteristics improve financial reporting quality in emerging markets? Evidence from Iran. *Asian Review of Accounting*, 43(2), 123-128.

Ghazali, M. (2021). "The role of audit committees in enhancing corporate governance and financial transparency in emerging markets." *Accounting and Finance Researc*h, 45(5), 345-347.

Gilchrist, D. J., West, A., & Zhang, Y. (2023). Barriers to the usefulness of non-profit financial statements: Perspectives from key internal stakeholders. *Australian Accounting Review*, 33(2), 188–202.

Grace Lyon Boro, Doutimiareye Newstyle (2024). audit committee characteristics and financial reporting quality of listed deposit money banks in Nigeria.bw *Academic Journal of Accounting 24(2) 145-146.*

Haddad, A., El Ammari, A. &Abdelfattah, B. (2021). Impact of audit committee quality on the financial performance. *Journal of Accounting and Finance Research*, 12(3), 156-160.

Hamdan, A. (2020). Audit committee characteristics and earnings conservatism in banking sector: empirical study from GCC. *Afro-Asian Journal of Finance and Accounting*, 10(1), 1-23.

Hamdan, A., & Mushtaha, S. (2011). The relationship between audit committee characteristics and type of auditor's report (an empirical study on the public shareholding industrial companies listed at Amman Bourse). *The Arab Journal of Accounting*, 14(01), 134-155.

Hamdan, A., Al-Hayale, T., & Aboagela, E. (2012). The impact of audit committee characteristics on earnings management: Additional evidence from Jordan. *In European Business Research Conference Proceedings*.10(3), 56-59.

Hasan, S., Kassim, A. A. M., & Abdul Hamid, M. A. (2020). The Impact of Audit Quality, Audit Committee, and Financial Reporting Quality: Evidence from Malaysia. *International Journal of Economics and Financial Issues*, 10(5), 272-281.

Hasnan, S., Eskandar, N. S. M., Mohamed Hussain, A. R., Al-Dhubaibi, A. A. S., Kamal, M. E. M., & Kusumaningtias, R. (2022). Audit committee characteristics and financial restatement incidence in the emerging market. *Corporate & Business Strategy Review*, 3(2), 20–33.

Hoang, T., Abeysekera, I., & Ma, S. (2020). The effect of audit committee characteristics on financial restatements in Australia. *Accounting Research Journal*, 33(1), 51-71.

Hwang, I., & Kim, J. (2020). Audit tenure and earnings management: Evidence from Korean firms. *Asia-Pacific Journal of Accounting & Economics*, 27(2), 157-176.

Ibrahim, M., & Ali, A. (2022). Corporate governance and financial reporting quality in Nigeria: A focus on audit committee characteristics. *African Journal of Business and Economic* Studies, 45(6), 235-239.

Iyer, G. S., & Cargill, R. (2022). Audit firm tenure: Balancing quality and independence in a changing regulatory landscape. *Accounting Perspectives*, 21(4), 428-445.

Juhmani, O.I. (2017). Audit committee characteristics and earnings management: The case of Bahrain. *International Journal of Accounting and Financial Reporting*, 7(1), 11-31.

Kamarudin et al. (2017). Analysis of audit committee independence and financial reporting quality. *International Journal of Economics and Financial Issues*, 10(5), 272-281.

Kantudu, A. S., & Alhassan, I. (2022). Audit committee and financial reporting quality in listed nonfinancial firms in Nigeria. *Arabian Journal of Business and Management Review*, 11(1), 6-14.

Kayode Muhammed, Ganiyu Abdulyakeen, Kate Theophilus Ajide, Kolapo Olufemi Oyaleke (2024). Audit committee's attributes and quality of financial reporting on listed consumer goods firms in Nigeria: *Malete Journal of Accounting and Finance* 4 (2), 209-224.

Khan, A., & Kausar, A. (2021). Audit firm tenure and its impact on financial reporting quality in Pakistan. *Journal of Accounting and Finance*, 21(4), 11-19.

Knechel, W. R., Salterio, S., & Ballou, B. (2022). Auditing: Assurance and Risk (4th ed.). Routledge.

Liao, Qi &Yueh-Hui Lin. (2021). Mandatory audit firm rotation and Its effect on audit quality: A Meta-Analysis. *Review of Accounting Studies*, 26(4), 1019-1047.

Lin, C., & Hwang, D. (2023). Audit Committees and Financial Transparency: Evidence from the U.S. Journal of Accounting Research. 35(6), 134-136.

Lin, J. W., & Hwang, M. I. (2010). Audit quality, corporate governance, and earnings management: a meta-analysis. *International Journal of Auditing*, 14(1), 57-77.

Lin, M.-J., Lee, D.-C., & Lee, L.-T. (2011). Using Tobin's Q ratio to testing the stakeholder theory applied to the corporate social performance. *African Journal of Business Management*, 5(34), 156-167.

Mangala D., & Isha (2016). Influence of corporate characteristics on extent of disclosure in published annual reports in India. *Amity Journal of Finance*, 1(2), 22-34.

Mardessi, S. (2022). Audit committee and financial reporting quality: the moderating effect of audit quality. *Journal of Financial Crime*, 29(1), 368-388.

Mardnly, Z., Mouselli, S., & Abdulraouf, R. (2018). Corporate governance and firm performance: Empirical evidence from Syria. *International Journal of Islamic and Middle Eastern Finance and Management.* 11(72), 32-34.

Morched, S., Ezzeddine, B. M., & Jarboui, A. (2023). The impact of innovation type on the performance and social responsibility of French manufacturing companies. *Environment Systems and Decisions*, 433–452.

Moses Ekaruwe (2024). Audit committee attributes and financial reporting quality of listed commercial banks in Nigeria. *The Nigerian Journal Research and Production,* 26 (1), 345-348.

Muhammeda, A., Abubakara, A. K., & Lawalb, O. D. (2021). Effect of international financial reporting standards on earnings quality of listed conglomerates in Nigeria? *Nigerian Journal of Accounting and Finance*, 13(1), 233–252.

Namakavarani, O. M, Daryaei, A. A., Askarany, D. &Askary, S. (2021). Audit committee characteristics and quality of financial information: The role of the internal information environment and political connections. *Journal of risk and financial Management*, 14(3), 273-291.

Ngo, D.N.P. & Le, A.T.H. (2021). Relationship between the audit committee and earning management in listed companies in Vietnam. *Journal of Asian Finance, Economics and Business*, 8 (2), 0135–0142.

Nikulin, E. D., Smirnov, M. V., Sviridov, A. A., & Bandalyuk, O. V. (2022). Audit committee composition and earnings management in a specific institutional environment: the case of Russia. Corporate Governance: *The International Journal of Business in Society,* 22(7),1491-1522.

Ogundana, O. M., Ojeka, S., & Adegboye, A. (2017). Audit committee attributes and financial reporting quality in Nigerian listed companies. *Journal of Economics and Finance*, 23(5), 223-226.

Ogundana, O. M., Ojeka, S., & Adegboye, A. (2021). Audit committee attributes and financial reporting quality in Nigerian listed companies. *Journal of Economics and Finance*, 23(5), 345-347.

Okoye, E., & Alao, B. (2020). Stakeholder theory and corporate governance practices in Nigeria. *African Journal of Business Management, 3*45-352.

Orjinta, H. I. &Ikueze, N. E. (2018). Effect of audit committee characteristics on performance of non-financial firms: Evidence from a recessed economy. *International Journal of Innovation and Applied Studies,* 24(1), 289-298.

Poretti et al. (2018). The role of audit committee independence in financial reporting quality. Semantics Scholar. 5(7), 56-58.

Puni, A., &Anlesinya, A. (2020). Corporate governance mechanisms and firm performance in a developing country. *International Journal of Law and Management. 23(4), 234-240.*

Qeshta, M. H., Abu Alsoud, G. F., Hezabr, A.A. , Ali, B. J.A.& Oudat, M. S. (2021). Audit committee characteristics and firm performance: Evidence from the insurance sector in Bahrain. *Geintec Journals*, 11(2), 1666-1680.

Qeshtaa, M., & Ali, B.J., (2020). The moderating effect of the effectiveness of the audit committee between ownership concentration and intellectual capital disclosures among companies in gulf co-operation council. *International Journal of Psychosocial Rehabilitation*, 24(1), 5979-5986.

Rainsbury, E. A., Bradbury, M. E., & Cahan, S. F. (2023). The impact of audit committee independence on the timeliness of financial reporting. J*ournal of Accounting and Economics,* 75(1), 101-367.

Sae-Lim, P., & Jermsittiparsert, K. (2019). Audit committee and earnings quality. *International Journal of Innovation, Creativity and Chang*, 6(2), 335–347.

Sana Mardessi (2022). Audit committee and financial reporting quality: the moderating effect of audit quality. *Journal of Financial Crime* 29 (1), 368-388.

Schroeder, R. G., Clark, M. W., & Cathey, J. M. (2022). Financial accounting theory and analysis: Text and cases. 6(12), 234-245.

Shah, Z., & Malik, A. (2022). Corporate Governance and Its Impact on Financial Integrity. Asian Journal of Governance, 67(8), 145-150.

Soliman, M. M., & Ragab, A. A. (2014). Audit committee effectiveness, audit quality and earnings management: an empirical study of the listed companies in Egypt. *Research Journal of Finance and Accounting*, 5(2), 155-166.

Tanyi, P., & Smith, D. (2015). "Busyness, Expertise, and Financial Reporting Quality of Audit Committee Chairs and Financial Experts." A*uditing: A Journal of Practice & Theory,* 34(6), 36-38.

Umoh, S. (2021). Semiotics and Perspectives of Meaning in Bassey Ubong's Praise the Lord. *Icheke Journal of the Faculty of Humanities,* 19(3), 267-283.

Uwuigbe, O., Uwuigbe, U., & Daramola, P. S. (2019). Corporate governance and financial reporting quality: Evidence from Nigerian listed firms. *International Journal of Business and Social Scienc*e, 7(8), 56-63.

Umoh, S. (2021). The Viability of Makeup as a Catalyst for Entrepreneurship Development in Contemporary Nigeria. *AKSUJACOG,* 1(3), 101-112.

Wang, Hsieh, T.-S., Kim, J.-B., Wang, R. R., & . (2020). Seeing is believing? Executives' facial trustworthiness, auditor tenure, and audit fees. *Journal of Accounting and Economics*, 69(1), 91-92.