Journal
of Danubian
Studies
and Research

Audit Committee Characteristics and Timeliness of Financial Reports in Nigeria

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Abstract: This study examines the nexus between audit committee characteristics and timeliness of financial reports in Nigeria. The study employed correlation research design using the annual report of thirteen (13) listed deposit money banks in Nigeria for the period 2016 - 2020. Timeliness of financial reports was measured as a categorical variable that assumed the value of one (1) for banks that released their annual report within the 90 days stipulated by the regulatory agency and zero (0) for those that fail to meet this requirement. Audit committee independence was measured using proportion of independent non-executive directors on audit committee; audit committee meeting was measured using number of meetings held in a year; audit committee financial expertise was measured using the proportion of members who have accounting or financial management knowledge while audit committee gender diversity was measured using the number of women on the board. The data for the study were analyzed using descriptive statistics, Pearson correlation and binary logit regression technique. The results show that audit committee meeting has a statistically significant relationship with timeliness of financial reports and the relationship was negative. Other audit committee attributes did not have any significant relationship with timeliness of financial reporting. Flowing from the findings, the study recommends that money deposit banks should ensure that meetings held by the audit committee are managed so that deliberations do not lead to untimely release of financial reports.

Keywords: Audit committee meetings; Timeliness; Audit report lag; Audit delay; Audit committee attributes

JEL Classification: M42; G30

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1. Introduction

The International Accounting Standard Board (IASB) demands that information have certain fundamental and improving properties in order to be decision relevant. Timeliness is one of the most important boosting features. Timeliness has long been recognized as one of the most important qualitative attributes of general purpose financial reports and the IASB describe a timely information that is useful to decision-makers as one that is gotten just in time to influence decisions making. Annual reports must be submitted and published by a specific deadline stipulated by regulatory authorities. Specifically, the Banks and Other Financial Institutions Act (BOFIA) 2020 set three months (90 days) after year-end as deadline for banks in Nigeria to submit and make public its financial statements.

The reason for the deadline is not far-fetched as literature reveals that timeliness of information is of great significance to investors as it curtails information asymmetry and reduces the risk associated with it. (Chukwu & Nwabochi, 2019; Chen, Eshleman & Soileau, 2016). Furthermore, investors reward firms that comply with the financial reporting benchmark as regards timeliness by paying more for the shares of these firms (Armand, Handoko & Felicia, 2020). Bedard, Chtourou and Courteau (2014) opined that timely financial reporting is a veritable ingredient for a well-functioning capital market because undue delay in releasing financial statements may increase uncertainty associated with investment decisions and have a rippled effect on the economy in general.

The rising demand for timely financial information is due to a slew of accounting scandals that have harmed investors' faith in the capital market's efficiency (Mbobo & Umoren, 2016), resulting in low investment. As a result, capital markets around the world have taken steps to improve investors' negative perceptions by establishing regulations and timeframes for her trading firms to adhere to when presenting audited financial accounts. In Nigeria, the provisions of BOFIA 2020 as amended, stipulate that the maximum time within which a bank or any other financial institution are expected to complete and to make public their financial reports is three (3) months after financial year end (Eze & Nkak, 2020; Odjaremu & Jeroh, 2019). Despite the order, some publicly traded companies failed to timely report their audited financial statements. Listed companies such as First Bank of Nigeria, International Breweries, Meyer Plc, Sovereign Trust Insurance, Abbey Mortgage Bank, Lafarge Africa Plc, Fidelity Bank, and First City Monument Bank all failed to file their 2017 audited financial statements when they were supposed to (Eze & Nkak, 2020).

Several researchers have opined that timeliness of financial reports has several determinants. Shama and Kuang (2013) identified company attributes, auditor's specific attributes and audit committee attributes as major determinants of timeliness of financial reports. Focusing on the attributes of the audit committee, Eze and Nkak (2020) mentioned that the audit committee is one of the major operating committees of the board of directors that is charged with financial reporting oversight. Nevertheless, a survey of the literature reveals conflicting results exist on the relationship between audit committee characteristics and timeliness of financial reports. Apadore and Noor (2013) as well as Eze and Nkak (2020) in their separate studies found a positive relationship between the various attributes of the audit committee and audit report lag. These results are at variance with the negative relationship disclosed between these variables by the studies of Soltana, Harjinder, and Vander (2015) and Mohamed-Nor and Hussin (2010).

Therefore, the need to address the conflict of findings stated above has provided a motivation for this study. This study therefore, attempts to examine how audit committee characteristics affects timeliness of financial report in Nigeria using a sample of listed deposit money banks.

2. Literature and Hypotheses Formulation

2.1. Timeliness of Financial Reporting

Prior Studies have shown that the concept of financial reporting timeliness is topical in recent time because it is o ne of the qualitative characteristics used to determine the quality of financial information (Aifuwa, Embele & Saidu, 2020; Yunos, 2017). The number of days between the end of the fiscal year and the date the external auditor signs the audit report defines a timely report (Al-Muzaiqer, Ahmad & Hamid, 2018; Pradipta & Zalukhu, 2020). Putri, Azhar & Erlina (2017) defined financial reporting timeliness as the usage of information by users before it loses its value. Timeliness is one of the four improving qualitative aspects of financial information, according to Odjaremu and Jeroh (2019) and Aifuwa et al. (2018), which ensures that information provided by organizations is easily available for decision-making by users before it loses relevance. This could explain why Al-Muzaiqer et al. (2018) agreed that information loses its value if it isn't easily accessible to users/decision makers.

Financial reporting that is completed on time has the effect of minimizing information asymmetry and improving decision-making (Zaitul & Ilona, 2019).

According to Armand, Handoko, and Felicia (2020), timely financial reporting improve market discipline and efficiency by decreasing information leakages, rumors, insider trading, and optimal investment. Oraka, Okoye, and Ezejiofor (2019) found that timely reporting reduces the negative consequences of insider trading and contributes to the development of a trustworthy environment in capital markets. It also sends a favorable message about a company's performance and earnings to decision-makers and investors (Zandi & Abdullah, 2019).

2.2. Audit Committee

The audit committee is established by the board of directors to oversee the processes involved in accounting and auditing of company financials and its membership in Nigeria is clearly spelt out in the Company and Allied Matters Act (2020) with at least one qualifying as a financial expert. The literature demonstrates the critical role and obligation of audit committees in the financial and monitoring process (Alzoubi, 2019; Juwita, Sutrisno & Hariadic, 2020). Audit committee performance is thought to improve reporting quality by improving audit quality, internal monitoring systems, and communication with external auditors, according to studies (Alkilani & Hussin, 2019; Shatnawi & Eldaia, 2019).

The audit committee's responsibilities include reviewing the company's accounting policies, evaluating the internal control system, reviewing external reporting systems, and ensuring compliance with laws and regulations (Putri et al., 2017). They carry out these responsibilities through formal contact with management's board of directors, external auditors, and internal auditors (Firnanti & Karmudiandri, 2020; Ilaboya & Iyafeke, 2014). The monitoring process is influenced by these interactions (Cohen, Krishnamoorthy & Wright, 2002). In addition, audit committees must evaluate the company's communication with external auditors (Alqatamin, 2018) and provide valuable feedback to the board of directors on their interactions with auditors (Abbott & Parker, 2000). Audit committees, according to Turley and Zaman (2004), play a critical role in supporting and improving monitoring, increasing the external audit process, and reducing audit failure. In order to accomplish this, audit committees must exhibit a number of characteristics, the most important of which are independence, diversity, and experience.

Independence, according to Iyoha (2012), is an expressive word that connotes freedom, integrity, and all that is good. When members of the audit committee do not perform executive functions, they are said to be independent. In order to undertake effective monitoring, an audit committee should be autonomous from management, resulting in less opportunistic management behavior such as lag in the reporting architecture. When the audit committee has little or no independence, the quality and trustworthiness of financial reporting can suffer (Iyoha, 2012). According to Al-Rassas & Kamardin (2016), having an independent audit committee decreases the risk of fraud and other financial irregularities, protects shareholders' interests, and ensures the timely delivery of financial reports.

The audit committee's job is to ensure that external auditors, internal auditors, and the board of directors are all on the same page. The committee would meet with the auditors on a regular basis in this case. The financial statements, audit procedures, and internal accounting systems and controls are all evaluated during the sessions (Iyoha, 2012). Audit committees play a critical role in enhancing and increasing transparency in public sector governance, risk management, and internal control systems. As a result, the audit committee's effectiveness will be determined by how meetings are handled, what is addressed at each meeting, and the frequency with which they are held. Mohamad-Nor et al. (2010) asserts that audit committee effective is inferred from the number of meetings held in a year. The frequency of meeting held shows continuous engagement within the members of the committee to discuss any related issues with respect to timeliness of the financial report statement and continuous improvement in audit report (Abbott, Parker & Peter 2004). Small number of meetings or no meeting at all held in a year indicates bad monitoring of financial reporting statement. This assertion was supported by Wang and Wu (2011) which found in their study that audit committee activity influences the monitoring practices of the audit committee.

Audit committee financial expertise is another characteristic that has been associated with audit committee effectiveness. According to the Blue Ribbon Committee (1999), the term expertise "signifies past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which result in the individual's financial sophistication including being or having been a CEO or other senior officer with financial oversight responsibilities". The 2018 Nigeria code of governance states that members of the audit committee should be able to read and understand basic financial statements and should be capable of making valuable contributions to the committee. According to Bedard, Chtourou, and Courteau (2004), the audit committee's primary role is financial reporting and oversight, and that this responsibility can only be fulfilled if its members have considerable knowledge and expertise in accounting and related subjects.

The presence of women in the boardroom has a beneficial or negative impact on the firm's performance, as well as the accuracy of financial reporting (Abdulrashed, Jerry & Musa, 2020). Consequently, gender diversity has also been considered as one of the factors which enhance committee effectiveness (Aldamen, Hollindale & Ziegelmayer, 2018; Chen, Eshleman & Soileau, 2016). Female directors on the boards could both help improve the quality of decisions, provide the board of directors with a boost in their ability to monitor corporate disclosure and reports (Adams & Ferreira, 2009; Carter, Souza, Simkins & Simpson, 2010) and affect the degree of risk aversion and conservatism. According to research, having more women on a board lessens the risk of financial statement fraud since women are more ethically conscientious and less prone to engage in opportunistic behavior. Furthermore, gender diversity on audit committees, as well as the inclusion of experienced members with varied perspectives, can assist the audit committee with a wide range of accounting difficulties, reducing the risk of fraud and financial misstatements (Gul, Hutchinson & Lai, 2013). However, according to Soltana, Harjinder, and Vander (2015), gender inequalities on the audit committee may jeopardize the small group's activity, resulting in the establishment of a majority and minority in the group and a decrease in the audit committee's efficacy.

2.3. Audit Committee Independence and Timeliness of Financial Report

According to Firnanti and Karmudiandri (2020), an independent committee can improve the quality of financial reporting. According to Al-Rassas and Kamardin (2016), an independent audit committee decreases the risk of fraud and other financial irregularities, protects shareholders' interests, and ensures the timeliness of financial report statements. Based on the foregoing assumptions, independent audit committee directors are expected to reduce audit report delays. Although some existing empirical data supports the claim that audit committee independence reduces audit time lag, resulting in increased financial reporting statement timeliness (Alsfrife et al., 2016; Zandi & Abdullah, 2016; Zaitul & Ilona, 2019; Juwita et al., 2020; Soltana et al., 2015). Other empirical investigations, on the other hand, do not appear to support this reasoning, since they found no indication of an independent audit committee's impact on the timeliness of financial report statements (Chukwu

& Nwabochi, 2019; Firnanti & Karmudiandri, 2020; Odjaremu & Jeroh, 2019; Zaitul & Ilona 2019).

Prior research conducted outside of Nigeria have found that the independence of audit committees has a favorable impact on reporting timeliness (Abbott et al., 2012). According to study, a more independent audit committee is more likely to increase and quicken the financial reporting process, as well as promote efficient monitoring, which helps to a company's total long-term worth (Bedard et al., 2014). Puasa, Mdsalleh, and Ahmad (2014) explored the link between audit committee characteristics and financial reporting timeliness, concentrating on changes in financial reporting timeliness after the reform of Malaysia's corporate governance legislation in 2007 vs before the revision. Between 2004 and 2011, they took a sample of 669 publicly traded firms in Malaysia to conduct an analysis using the regression result and t-test studies. The result of the regression shows that, audit committee independence and activity are positively associated to financial reporting timeliness during the period under review.

Ozonigbo, Orjinta, and Ofor (2016) examined the impact of audit committee effectiveness on the timeliness of financial reporting for companies in the Nigerian pharmaceutical industry. The results of the study, which used correlation analysis and Ordinary Least Squares regression, showed that audit committee performance has a favorable and significant impact on the financial reporting timeliness of pharmaceutical companies. Furthermore, the authors discovered that audit committee effectiveness was responsible for 64% of changes in financial reporting timeliness. The impact of audit committee qualities on the timeliness of company financial reporting in Nigeria was explored by Aifuwa and Saidu (2020), between 2017 and 2018, the study employed a sample of 116 listed companies on the Nigerian Stock Exchange. To summarize and draw inferences about the population analyzed, the study used descriptive and inferential statistics. According to the findings of the study, audit committee independence and the presence of female directors on the audit committee reduce audit report lag, hence improving financial reporting timeliness. The study also discovered that female directors had a combined and favorable effect on the nexus between audit committee independence and financial reporting timeliness. According to the findings, audit committee characteristics influence the timeliness of company financial reporting in Nigeria. As a result of the above, we anticipate that audit committee independence will have a major impact on financial report timeliness.

2.4. Audit Committee Meeting and Timeliness of the Financial Report

The number of audit committee meetings is a good predictor of how effective the committee is. Less meetings were interpreted by financial statement users as indicating a lack of commitment and insufficient time to manage the financial reporting process. Wang and wu. (2011) show that increased audit committee activity as proxy by number of committee meetings is associated with reduced levels of earning management. Bryan et al. (2004) posit that audit committee that meets regularly improve the transparency and openness of reported earnings and therefore improve earning quality. Audit committee diligence (proxies by frequent meetings) could take several defensive and constructive process on time despite internal control weaknesses (Sharma & Kuang, 2013), thus need to detect and prevent management's fraudulent practices and maintain the quality of earnings and the level of information reported (Bedard et al., 2004). According to Gul, Hutchinson, and Lai (2009), having a frequent audit committee is associated with quick repair of material deficiencies.

Wahid (2018) discovered a negative association between the number of audit committee meetings and earnings management, in contrast to the previous findings on audit committee meetings. In addition, neither Bedard et al. (2004) nor Lin et al. (2006) found a link between audit committee meeting frequency and financial reporting quality. Tayo, Akinleye, and Olayeye (2019) investigate the impact of audit committee features on financial reporting timeliness in Nigeria. According to the findings, there is no significant association between meeting frequency and financial reporting timeliness among Nigerian listed food and beverage companies.

The issues found in the financial reporting process are detected during audit committee meetings, but if the meetings are infrequent, the problems may not be remedied and resolved in a timely manner. As a result, a company with a larger number of audit committee meetings is expected to have a higher number of audit committee meetings. According to this prediction, it is reported that frequent audit committee meetings improve reporting timeliness (Ika & Ghazali, 2012). Furthermore, Abernathy, Beyer, and Stefaniak (2011) discovered that frequent audit committee meetings result in shorter audit report delays. Other studies have shown no link between audit committee meetings and audit report delays (Bedard et al., 2014; Shatnawi et al., 2017). Members of audit committees who meet on a regular basis are frequently assumed to be better at monitoring. Sharma et al. (2015) use number of meetings, to measure whether the audit committee meeting frequency has an influence on financial reporting quality and concluded that audit committee meeting frequency has an influence on the financial reporting quality.

Flowing from the foregoing, we expect that audit committee meeting would have a significant relationship with timeliness of financial reports.

2.5. Audit Committee Financial Expert and Timeliness of Financial Reporting

Mohamad-Nor et al. (2010) looked at the link between audit committee financial expertise and audit reporting timeliness for Malaysian publicly traded companies. They discovered a negligible link between financial expertise and audit reporting timeliness. Accounting expertise, non-accounting expertise, and non-financial expertise are the three types of financial expertise identified by Abernathy, Beyer, and Stefaniak (2011). to see if earlier evidence of audit committee expertise can be linked to accounting or other types of knowledge. For a US sample, this study found a link between the presence and proportion of accounting professionals on the audit committee and a decline in audit report timeliness. In contrast to this finding and past literature that supports the relevance of accounting expertise in boosting audit committee effectiveness, Pradipta and Zalukhu (2020) find no link between audit committee accounting/auditing expertise and audit report timeliness in a Malaysian sample. Sharma and Kuang (2017) also found that financial knowledge on the audit committee is unrelated to the audit report's timeliness. The evidence from the above-mentioned literature, on the other hand, was unexpected because as this does not show if audit committee financial expertise is ineffective in providing timely financial reporting; however, prior studies have ignored the interaction among audit committee characteristics. Going with the direction in extant studies, we expect that audit committee financial expertise would not have a significant relationship with timeliness of financial reports.

2.6. Audit Committee Gender Diversity and Timeliness of Financial Report

The role of women on the board and board committees of any organization cannot be overemphasized. This is due to their multitasking abilities. Women on the board, according to resource dependency theorists and gender advocates, would contribute to more diversity of ideas and experience (Aifuwa & Embele, 2019; Saidu & Aifuwa, 2020), as well as better board supervision (Aifuwa & Embele, 2019). (Chukwu & Nwabochi, 2019). Recent debates on the role of women on the board have created controversy. The presence of women in the boardroom has a favorable or negative impact on the firm's performance (Apadore & Noor, 2013), as well as the timeliness of financial reporting (Apadore & Noor, 2013). According to Abbott, Parker, and

Peters (2000), women have the ability to multitask, which can be used in the boardroom to solve difficulties. Women are also better at gaining voluntary information, according to Ilaboya and Lodikero (2017), which could help to lessen information asymmetry. Furthermore, previous research on gender diversity asserts that females may possess greater communication skills, improve decision-making, and leadership style (Apadore & Noor, 2013), and pay more attention to key issues that may affect society such as social responsibility, humanitarianism (Aifuwa, &Saidu, 2020), task orientation, and compliance with rules and regulations (Apadore & Noor, 2013). (Ika & Ghazali, 2012). Women as compared to men may be more risk-averse (Ilaboya & Lodikero, 2017; Gul et al, 2013; Firnanti & Karmudiandri,, 2020), make more conservative decisions and be less tolerant towards opportunistic behaviors (Eze & Nkak, 2020). Furthermore, women may be less over-confident than men. According to Gul et al. (2013), women who work in a group can come up with better answers to problems. They discovered that while men come up with more answers for a given situation, women are more likely to offer higher-quality solutions. Female directors are only tokens (critical mass theory), according to some fears that corporations may add female members to simply lessen criticism (Gul et al., 2013). Nonetheless, research has shown that having at least one female director on the board of directors and its subgroups, such as the remuneration committee and the audit committee, improves business performance to a substantial extent. (e.g., Gul et al., 2013; Eze & Nkak, 2020; Gul et al., 2018).

Therefore, we expect that audit committee gender diversity would have a significant relationship with timeliness of financial reports.

3. Methodology

The study adopted the correlational research design and a target population of thirteen (13) deposit money banks listed on the Nigeria Exchange Market. Due to the small population size, all the thirteen (13) deposit money banks formed the sample for the study. The data were extracted from the audited annual reports of the listed banks and the formulated model was analyzed using the binary logit regression technique. Also, descriptive statistics and Pearson correlation matrix were used to evaluate the nature and degree of association between the variables. The model (see equation 1) for the study is a modification of the models of Emeh and Appah, (2013) and Eze and Nkak, (2020).

$TFR_{it} = \beta 0 + \beta 1ACIND_{it} + \beta 2ACMEET_{it} + \beta 3ACFINEX_{it} + \beta 4ACGEN_{it} + \beta 5FSIZE_{it} + e$ (i)

Where; TFR_{it}= Timeliness of Financial Report (audit report lag) of i^{th} bank at time't'; β0 = intercept; $ACIND_{it}$= Audit Committee Independence of ith bank at time't'; $ACMEET_{it}$= Audit Committee Meeting of ith bank at time "t"; $ACFINEX_{it}$= Audit Committee Financial Expertise of ith bank at time "t"; $ACGEN_{it}$ = Audit Committee Gender Diversity of ith bank at time "t"; $FSIZE_{it}$ = Firm size of ith bank at time "t". See Table 1 for measurement of variables

Table 1. Operationalization of Variables

S/N	Variables	Measurement	Source	Apriori sign
1	Timeliness of Financial Reports (TFR)	Dummy variable of one (1) = firms who released annual report within the stipulated 90 days and zero (0) for otherwise.	Appah and Emeh (2013), Eze and Nkak, (2020).	
2	Audit Committee Independence (ACIND)	Proportion of independent non-executive directors on audit committee.	Emeh and Appah (2013) SEC Code of Corporate Governance (2011)	+
3	Audit Committee Meeting (ACMEET)	Number of audit committee meeting for the year	Eze and Nkak, (2020).	+
4	Audit Committee Financial Expertise (ACFINEX)	Proportion of audit committee members who have accounting or financial management knowledge	Emeh and Appah (2013)	+
5	Audit Committee Gender Diversity (ACGN)	Proportion of women in the audit committee board	Eze and Nkak, (2020).	+
6	FSIZE	Log of total asset		+

Source: Researcher's compilation (2021)

4. Results and Discussion

Table 2. Descriptive Statistics

	Mean	Max	Min	Std. Dev.	Obs
TFR	0.862	1	0	0.348	65
ACIND	0.488	0.67	0.33	0.060	65
ACMEET	4.262	7	2	1.122	65
ACFINEX	0.463	0.75	0.29	0.114	65
ACGEN	0.207	0.5	0	0.158	65
FSIZE	9.349	10.02	8.19	0.438	65

TFR=Timeliness of financial reporting; ACIND= Audit committee independence; ACMEET= Audit committee meeting; ACFINEX= Audit committee financial expertise; ACGEN= Audit committee gender diversity; FSIZE= Firm size

4.1. Researcher's Extraction

Timeliness of financial reporting (TFR) was measured as a categorical variable that represented one (1) for banks that reported within the ninety (90) days as specified by BOFIA and zero (0) for those that reporting after the ninety (90) days. The statistics (M= 0.862, SD= 0.348) as presented in Table 2 reveal that majority of sampled banks are adjudged timely in their reporting. Audit committee independence (ACIND) was captured using the proportion of independent members of the committee and inferring from the statistics (M= 0.488, SD= 0.06), the independence level of the audit committee is average and could be improved on. The disparity as seen from the standard deviation is small and suggest a largely uniform independence level within the banking industry. Audit committee meeting (ACMEET) with statistics (M= 4.2; Max= 7; Min= 2) reveal that meetings are held at least four times annually although some audit committees have had meetings up to seven (7) times. Judging from these numbers, the audit committee may be described as diligent and busy. Based on the statistics (M= 0.463, SD= 0.114) for audit committee financial expertise, it is noticed on the average that four (4) out of every ten (10) members of the committee have knowledge in accounting, auditing, and or finance. Also, based on the statistics (M= 0.207, SD= 0.158) for audit committee gender diversity, it can be deduced that only two (2) out of every ten (10) members of the committee are women. This shows that majority of audit committee members are men and that women represent the minority.

Table 3. Correlation Matrix

	TFR	ACIND	ACMEET	ACFINEX	ACGEN	FSIZE
TFR	1					

ACIND	*-0.2469*	*1*				
	0.0474	-----				
ACMEET	*-0.3059*	*0.2648*	*1*			
	0.0132	**0.0330**	-----			
ACFINEX	*-0.1303*	*0.0467*	*0.0131*	*1*		
	0.3008	**0.7118**	**0.9175**	-----		
ACGEN	*0.2340*	*-0.2017*	*-0.0238*	*-0.2152*	*1*	
	0.0607	**0.1071**	**0.8506**	**0.0852**	-----	
FSIZE	*0.2564*	*-0.1684*	*-0.2905*	*0.0737*	*0.0946*	*1*
	0.0392	**0.1800**	**0.0189**	**0.5596**	**0.4535**	-----

Correlation coefficients are in italics; Probability values are in bold

4.2. Researcher's Extraction

One of the importance of the correlation matrix is to evaluate the strength of association between variables on a univariate basis. In addition, it can also serve as a primia facie evidence for multicollinearity. From Table 3, the extent of association between TFR and all the independent/control variables namely ACIND, ACMEET, ACGEN, and FSIZE is fairly strong as revealed by the respective correlation coefficients (r = -.24; r = -.30; r= .23, and r = .25) except for the association between TFR and ACFINEX that has a weak association (r = --.13). In addition, analysis of the inter-correlations among the independent/control variables reveals the absence of multicollinearity as the largest correlation coefficient is -.29 (ACMEET-FSIZE).

The model for the study was estimated using the binary regression technique. The results are presented in columnar forms in Table 4. Column one is the regression result between TFR and ACIND, Column two is for TFR and ACMEET, Column three is for TFR and ACFINEX, column four is for TFR and ACGEN, and Column five is the robust regression result between TFR and all the explanatory variables. To ensure the reliability of the results, the Andrews and Hosmer-Lemeshow tests for goodness of fit were conducted for the main model.

In column one (1), the McFadden R-squared is 0.1359 and it suggests that the predictive value of the model is okay, the model fit is good and the results can be used for policy recommendations. This is equally buttressed by the LR statistics

(7.1058) and significant p-value (0.0286). Based on the z statistics, ACIND has a negative and significant relationship (coeff. = -10.896, p < .10) with timeliness of financial reporting (TFR) but at 10% level of significance.

Table 4. Estimation Output

Dependent Variable: TFR

Variable	Column 1	Column 2	Column 3	Column 4	Column 5
ACIND	*-10.8969***	-----	-----	-----	*-4.9472*
	-1.7146	-----	-----	-----	**-0.6749**
ACMEET	-----	*-0.7144**	-----	-----	*-0.6648**
	-----	**-2.0316**	-----	-----	**-2.0080**
ACFINEX	-----	-----	*-3.9135*	-----	*-3.1529*
	-----	-----	**-1.1878**	-----	**-1.0843**
ACGEN	-----	-----	-----	*4.4558***	*3.1868*
	-----	-----	-----	**1.6900**	**1.0932**
McFadden R-squared	0.1359	0.1579	0.1054	0.1400	0.2375
Log likelihood	-22.5876	-22.0121	-23.3842	-22.4804	-19.9318
LR statistic	7.1058*	8.2568*	5.5126**	7.3202*	12.4173*
Prob(LR statistic)	0.0286	0.0161	0.0635	0.0257	0.0295
H-L Statistic. Prob.					0.8341
Andrews Statistic. Prob.					0.0001
Control	Yes	Yes	Yes	Yes	Yes

Correlation coefficients are in italics; Z-stats are in bold; * Sig@ 5%; ** Sig@ 10%

4.3. Researcher's Extraction

Column two (2) shows a McFadden R-squared of 0.1579 and this also suggests that the predictive value of the model is sound, the model fit is good and the results can be equally used for policy recommendations. This is also buttressed by the LR statistics (8.2568) and significant p-value (0.0161). Based on the z statistics, ACMEET also has a negative and significant relationship (coeff. = -0.7144, p < .05) with timeliness of financial reporting (TFR) at 5% level of significance.

In column three (3), the McFadden R-squared is 0.1054 and it suggests similarly that the predictive value of the model is fairly okay, the model fit is fairly good and the results can be used for policy recommendations. This is supported by the LR statistics (5.5126) and associated p-value (0.0635). Based on the z statistics, ACFINEX has a negative but insignificant relationship (coeff. = -3.9135, $p >.05$) with timeliness of financial reporting (TFR) at 5% level of significance.

Column four (4) shows a McFadden R-squared of 0.14 and this suggests that the predictive value of the model is sound, the model fit is good and the results can be used for policy recommendations. This is equally supported by the LR statistics (7.3202) and significant p-value (0.0257). Based on the z statistics, ACGEN has a positive and significant relationship (coeff. = 4.4558, $p < .10$) with timeliness of financial reporting (TFR) but at 10% level of significance.

Lastly, in column five (5), the McFadden R-squared is the largest of all and stood at 0.2375. It suggests that this model has the best predictive value among the lots; the model is equally okay and fits better than the other models. In addition, the results can also be used for policy recommendations. This is equally upheld by the LR statistics (12.4173) and associated p-value (0.0295). Based on the z statistics, ACIND has a negative but insignificant relationship (coeff. = -4.9472, $p < .05$) with timeliness of financial reporting (TFR) at 5% level of significance. This leads to the failure to reject the null hypothesis that audit committee independence does not have a significant relationship with timely reporting. ACMEET has a negative and significant relationship (coeff. = --0.6648, $p < .05$) with timeliness of financial reporting (TFR) at 5% level of significance. This leads to the rejection of the null hypothesis that audit committee meeting does not have a significant relationship with timely reporting ACFINEX has a negative but insignificant relationship (coeff. = -3.1529, $p >.05$) with timeliness of financial reporting (TFR) at 5% level of significance. This leads to the acceptance of the null hypothesis that the financial expertise of audit committee members does not have a significant relationship with timely reporting. Lastly, ACGEN has a positive but insignificant relationship (coeff. = 3.1868, $p < .05$) with timeliness of financial reporting (TFR) at 5% level of significance. Therefore, leading to the acceptance of null hypothesis that the gender diversity of the audit committee does not significantly relate to the timeliness of reports. It is worthy to equally note that the insignificant Hosmer-Lemeshow statistics of 0.8341 and significant Andrew statistics of 0.0001 provide mixed results on the goodness of fit of the first model, thus, caution is needed in generalizing the findings.

4.4. Discussion of Findings

The results from the analyses conducted are quite revealing. The study found a negative and insignificant relationship between audit committee independence and timelines of financial reporting of listed deposit money banks in Nigeria. This shows that independent audit committees are associated with untimely financial reporting. This may further mean that as more non-executive directors sit on the audit committee, the number of days after year-end for financial reporting increases. This finding differs from that of Aifuwa and Saidu (2020), who discovered that audit committee independence minimizes audit report latency and hence improves financial reporting timeliness.

Audit committee meeting was found to have a significant negative relationship with timeliness of financial reporting of listed deposit money banks in Nigeria. This means that the increase in number of meetings held by the audit committee will significantly increase the number of days after financial year to make public audited financial report. This result is not consistent with the findings of Alkilani et al. (2019) who observed that frequent audit committee meetings results in reduced delay in audit report.

This study found that audit committee financial expertise has a negative but insignificant relationship with timeliness of financial reporting of listed deposit money banks in Nigeria. This suggests that the higher the number of financial experts with experience in an audit committee, the more the number of days after financial year end to publicize audited financial report. This finding is consistent with the findings of Mohamad-Nor et al. (2010), who investigated the relationship between audit committee financial expertise and audit reporting timeliness for Malaysian listed companies and found no significant relationship between financial expertise and audit reporting timeliness.

The positive but insignificant relationship between audit committee gender diversity and timelines of financial reporting of deposit money banks in Nigeria shows that gender diversity insignificantly affects the timelines of financial reporting. This simply means that an increase in the number of females on audit committee will increase the timelines of financial reporting. However, according to Chukwu and Nwabochi (2019), an increase in the number of female board members would result in a more diversified viewpoint on a given topic, resulting in a more time-consuming and ineffective decision-making process in regard to an audit committee.

5. Conclusion and Recommendation

The objective of the study was to investigate the nexus between audit committee characteristics and timelines of financial reporting using a case study of all the thirteen (13) listed deposits money banks in Nigeria. The model for the study was estimated using the binary regression technique. The findings from the study showed that there is a negative and insignificant relationship between audit committee independence and timelines of financial reporting. Also, the findings revealed that the relationship between audit committee meeting and timeliness of financial reporting is significant and negative. The study also showed that there is an insignificant and negative relationship between audit committee financial expertise and timeliness of financial reporting. Lastly, audit committee gender diversity was found to have a positive and insignificant relationship with timeliness of financial reporting. On the basis of these findings the study therefore concludes that the characteristics of audit committees do not significantly affect the timelines of financial reporting. The study recommends that the meeting held by the audit committee should be managed to ensure that deliberations do not lead to untimely release of financial reports. Future studies could also examine the relationship between audit committee characteristics and timelines of financial reports using other industries in Nigeria.

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