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Атрибути аудиторського комітету та своєчасність фінансової звітності корпорацій у Нігерії

В Нігерії діє законодавча вимога щодо запровадження аудиторських комітетів як додаткового рівня контролю за процесом підготовки та оприлюднення річних звітів державних корпорацій. Однак, незважаючи на створення та функціонування таких комітетів, а також законодавче встановлення термінів подання річної фінансової звітності, сьогодні все ще спостерігається відставання у процесі підготовки річної звітності. На фоні такої ситуації, автори статті досліджують вплив атрибутів аудиторського комітету на своєчасність підготовки та оприлюднення фінансової звітності в Нігерії. Дослідження базується на вибірці даних 116 компаній, акції яких котувалися на Нігерійській фондовій біржі у 2017-2018 роках. Автори використовують методи описової статистики для підбиття підсумків та отримання висновків щодо досліджуваного кадрового складу аудиторських комітетів. Результат стійкого регресійного аналізу досліджуваних показників показав, що незалежність аудиторських комітетів та наявність жінок-директорів в аудиторських комітетах зменшують відставання в процесі підготовки аудиторських звітів, тим самим забезпечуючи своєчасність оприлюднення фінансової звітності. Однак, не знайдено жодних доказів впливу ретельності комітету (тобто частоти робочих зустрічей членів аудиторського комітету) на своєчасність оприлюднення фінансової звітності. В статті наводяться докази щодо позитивного впливу наявності жінок-директорів в аудиторських комітетах на зв'язок між незалежністю аудиторського комітету та своєчасністю оприлюднення фінансової звітності. Таким чином, доведено, що атрибути аудиторського комітету мають вплив на своєчасність оприлюднення фінансової звітності. Автори рекомендують компаніям продовжувати підтримувати гендерну культуру, що сприятиме своєчасності оприлюднення фінансової звітності.

Ключові слова: відставання у процесі підготовки аудиторського звіту, ретельність, жіноча стаття, незалежність, метод стійкої регресії.

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Audit Committee Attributes and Timeliness of Corporate Financial Reporting in Nigeria

In many studies the audit delay experienced in Nigeria firms attributes to external auditors. But this is not 100% true because before an external audit expresses an independent opinion on the financial statements, he needs to work with the internal auditor and audit committee of the organisation to successfully carry out the audit work. The audit

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committee particularly would help the external auditor enhance its timely reporting. The roles of an audit committee are to oversee the process of financial reporting, the work of the external auditor, and to strengthen the internal control of an organisation. Therefore, the audit committee effectiveness would help the external auditor reduce reporting lag and improve the timeliness of financial reports. Despite the establishment of a committee on audit in firms and the deadline set by the capital markets on annual financial reporting, reporting lag still exists. Against this backdrop, we investigated the impact of audit committee attributes on the timeliness of corporate financial reporting in Nigeria. A sample of one hundred and sixteen (116) listed firms on the Nigerian Stock Exchange from 2017 to 2018. We used descriptive and inferential statistics to summarize and draw inference on the population studied. The result from the Robust least squares regression revealed that audit committee independence and female directors in the audit committee reduces audit report lag, thus increases the timeliness of financial reporting. However, we found no evidence on the impact of audit committee diligence on the timeliness of financial reporting. We found out that there is a joint and positive effect of female directors on the nexus between audit committee independence and the timeliness of financial reporting. The study concluded that audit committee attributes affect the timeliness of corporate financial reporting in Nigeria. We recommend that firms should continue to sustain the culture of having non-executive directors in the audit committee to promote timely financial reporting.

Keywords: *Audit report lag, Diligence, Female gender, Independence, Robust least squares.*

1. Introduction

The concept of “timeliness” in financial reporting is a trending issue in accounting and finance literature. Timeliness is one of the qualitative characteristic used in ascertaining the quality of financial information (Aifuwa, Embele, & Saidu, 2018; Yunos, 2017). A timely report is defined as the number of days from the date of financial year-end to the date the external auditor signs the audit report (Al-Muzaiqer, Ahmad, & Hamid, 2018; Pradipta & Zalukhu, 2020). Timely reporting lessens the negative effects of insider trading activities and helps to build a trustworthy atmosphere in capital markets (Oraka, Okoye, & Ezejiofor, 2019) and also conveys a positive signal to decision-makers or investors on a firm’s performance and earnings (Zandi & Abdullah, 2019). The increased demand for timely financial information is because of previous accounting scandals (Mbobo & Umoren, 2016) and in compliance with International Financial Reporting Standard (IFRS) adopters across the globe (Abdullahi & Abubakar, 2020; Eze & Nkak, 2020).

Previous global accounting scandals negatively affect investors’ confidence in the capital market efficiency (Mbobo & Umoren, 2016), thus leading to low investment. In the light of this, capital markets across the globe have made a stride to change the negative perception of investors’ by setting rules and deadlines for her dealing firms to follow in reporting audited financial statements. In Nigeria, the capital market (the Nigerian Stock Exchange) rules stipulates that every dealing member must submit to the exchange its year-end audited report within ninety (90) days of the end of the fiscal year (Eze & Nkak, 2020). However, despite the NSE’s rule, some listed firms still failed in reporting their audited financial statements on time. Listed firms like First Bank of Nigeria, International Breweries, Meyer Plc, Sovereign Trust Insurance, Abbey Mortgage Bank, Lafarge Africa Plc, Fidelity Bank and First City Monument Bank, failed to submit their audited financial statement on December 31 2017, fiscal year (Eze & Nkak, 2020).

Audit delay experienced in Nigeria firms and countries across the globe has been attributed to external auditors (Ika & Ghazali, 2012; Oraka et al., 2019). This is not 100% true because before an external audit expresses an independent opinion on the financial statements, he

needs to verify the books of accounts. In order to carry out this function promptly, the external auditor needs to work with the internal auditor and audit committee of the organization to successfully carry out the audit work. The audit committee particularly would help the external auditor enhance its timely reporting. Akinyele and Aduwo (2019) assert that the roles of an audit committee are to oversee the process of financial reporting, the work of the external auditor, and to strengthen the internal control of an organisation. Therefore, the audit committee effectiveness would help the external auditor reduce reporting lag and improve the timeliness of financial reports. Empirical studies have used audit committee attributes such as independence, diligence, gender and size as proxies for audit committee effectiveness, and have found mixed findings on the nexus on the timeliness of financial reporting (see Akinleye & Aduwo, 2019; Alsfrife, Subekti, & Widya, 2016; Al-Muzaiqeret al., 2018; Baatwah, Salleh, & Ahmad, 2015; Chukwu & Nwabochi, 2019; Eze & Nkak, 2020; Firnanti & Karmudiandri, 2020; Juwita, Sutriso, & Hariadic, 2020; Kaaroud, Afrin, & Ahmad, 2020; Odjaremu & Jeroh, 2019; Pradipta & Zalukhu, 2020; Raweh, Kamardin, & Malek, 2019; Soyemi, Sanyaolu, & Salawu, 2019; Zandi & Abdullah, 2016; Zaitul & Ilona, 2019). This inconsistency throws up a vista of opportunity for further research.

Our study investigated the impact of audit committee attributes on the timeliness of financial reporting. The choice of our explanatory variables (audit committee independence, diligence and female gender) enthused this study, as there seems to be inconclusive findings on the nexus on the timeliness of financial reports. Also, we examined the moderating relationship of the presence of women in the audit committee on the relationship between audit committee independence and the timeliness of financial reporting. To the best of the researchers’ knowledge no study has investigated the joint relationship of audit committee independence and female directors in the audit committee on the timeliness of corporate financial reporting. Against these backdrops, we raised the following research questions.

i. What is the influence of audit committee independence on the timeliness of financial reporting?

ii. What is the impact of audit committee diligence (meeting) on the timeliness of financial reporting?

iii. What is the effect of audit committee diversity (female gender) on the timeliness of financial reporting?

iv. What is the influence of audit committee diversity on the nexus between audit committee independence on the timeliness of financial reporting?

The preliminary results of the study found support for the homosocial dominance of the board of the sampled companies. The result of the descriptive statistics in Table 2 reported approximately an average of one female directors with a minimum of zero and a maximum two in the audit committee. The result of the interaction between board independence and female gender representation in the audit committee is positive and statistically significant which is contrary to our a priori expectation of no significant relationship. This implies that giving female directors more independence in the audit committee tends to increase the audit report lag, and reducing the timeliness of corporate financial reporting. The study made a modest contribution to extant literature by showing that the conferment of power (independence) on female directors in the audit committee tends to increase the audit report lag, and consequently reducing the timeliness of corporate financial reporting.

We organise the remainder of the paper: Section two focuses on the literature review and hypotheses development. Section three addresses the method with emphasis on theoretical framework and model specification. Section four presents data analysis, interpretation and discussion of findings. Section five concludes.

2. Literature Review and Hypotheses Development

2.1 Concept of Timeliness of Corporate Financial Reporting

Several researchers have defined the concept of "timeliness" in financial reporting. Putri, Azhar, & Erlina (2017) defined timeliness of financial reporting as the utilisation of information by users before the information loses its value. Odjaremu & Jeroh (2019) and Aifuwa et al. (2018) see timeliness as one of the four enhancing qualitative attributes of financial information which ensures that information provided by companies are readily available for decision making by users before it loses its relevance. We defined timely reporting as making information (financial & non-financial) available to decision makers or users of financial information prior to when it loses its value. Al-Muzaiqer et al. (2018) echoed that information may lose its value if it is not readily available to users/decision makers needed. Timely financial reporting has the tendency of reducing information asymmetry and enhancing decision making (Zaitul & Ilona, 2019). Armand, Handoko, and Felicia (2020); Oraka et al (2019); Zaitul and Ilona (2019) echoed that timely financial reports significantly promote market discipline and efficiency by reducing information leakages, rumours, insiders dealing abuse and optimal investment.

Regulators and agencies of public firms across the globe are well aware of the importance of timely financial

reporting; hence, they set a deadline for firms to present their audited financial statements. Deadline set by regulatory authorities varies from country to country. The United State of America (USA), the United Kingdom (UK) and China have an average reporting lag of fifty-five (55) days, sixty-four (64) days, and ninety-two days (92) respectively (Abernathy, Beyer, Masli, & Stefaniak, 2014; Ghafraam & Yasnon, 2018; McGee & Yuan, 2008). In developing climes, like Malaysia, Egypt, Oman & Kenya had reporting lag of one-hundred and three (103) days, seventy-two (72) days, fifty-days (51) days and one-hundred and seven (107) days (Wan-Hussin, Bamahros, & Shukeri, 2018; Khlif & Samaha, 2014; Raweh et al 2019; Odit, 2015). However, in Nigeria, every dealing members (listed firms) must submit its year-end audited report to the Nigerian Stock Exchange within ninety (90) days at the end of the fiscal year and its quarterly financial statements within forty-five (45) days of the quarter and any other period report within the period stipulated by the Exchange (NSE, Rule book, 2018; Eke & Nkak, 2020).

In literature, we can measure the timeliness of financial reporting through audit report lag or audit delay (the number of calendar days from fiscal year-end to the date of a signed audit report) (Al-Muzaiqer, et al, 2018; Firnanti & Karmudiandri, 2020; Raweh et al, 2019; Pradipta & Zalukhu, 2020) financial statement issue delay (number of days between the balance sheet date to the date of declaring annual general meeting) (Oraka, et al, 2019); categorising status of filing of reports using dichotomous scale (1 for early filers, 0 for late filers) (Eze & Nkak, 2020; Zandi & Abdullah, 2019; Akinyele & Oduwo, 2019); the frequency of reporting (could be monthly, quarterly, half-yearly or annually) (Odjaremu & Jeroh, 2019). These measures would accurately determine the timeliness of financial reporting in firms; however, we used the proxy of (Al-Muzaiqer, et al, 2018; Firnanti & Karmudiandri, 2020; Raweh et al, 2019; Pradipta & Zalukhu, 2020).

2.2 Audit Committee Attributes

Section 11. 4 (1) of the Nigerian Corporate Governance Code (2018) stipulates that it is desirable for every company to have a board committee responsible for audit. The duties of the audit committee are to review the company's accounting policies, assess the internal control system, review external reporting systems and compliance and regulations (Putri et al., 2017). They carry these highlighted duties out via formal communication between management's board, external auditors, and internal auditors (Firnanti & Karmudiandri, 2020; Ilaboya & Iyafeke, 2014). The code explicitly spelt it out that all members of the audit committee should be financially literate and should be able to read and understand financial reports (Nigeria Corporate Governance Code, 2018). Flowing from the above specification, the attributes of the audit committee include size, independence, expertise, diversity (gender & nationality), and diligence.

2.2.1 Audit Committee Independence and Timeliness of Corporate Financial Reporting

Audit committee independence or independent audit committee is a situation where members of the audit committee do not carry out executive duties (Apadore & Noor, 2013). The director must have not been formerly engaged nor has a business or professional relationship with the company (Aifuwa & Embele, 2019). Firnantiand Karmudiandri (2020) assert that the quality of financial reports can be positively affected via an independent committee. Soyemi et al., (2019) noted that a board that comprises a proportionate number of non-executive directors has the ability of reducing audit report lag because of their independent judgement. Al-Rassas & Kamardin (2016) asserted that an independent audit committee significantly reduces the likelihood of fraud and all forms of financial improprieties and protects the interest of shareholders and guarantee the timeliness of financial reports.

Leaning on the above assertions, we expect independent directors in the audit committee to reduce audit report lag. Although extant empirical literature has supported this argument that independence in the audit committee significantly reduces audit time lag, leading to improved the timeliness of financial reports (Alsfrife et al., 2016; Zandi & Abdullah, 2016; Zaitul & Ilona, 2019; Juwita et al., 2020; Soyemi et al., 2019). However, other empirical studies seem not to support this argument, as they found no evidence on the impact of an independent audit committee on the timeliness of financial reporting (Chukwu & Nwabochi, 2019; Firnanti & Karmudiandri, 2020; Odjaremu & Jeroh, 2019; Raweh, et al., 2019) hence we hypothesize that:

H₀₁: Audit committee independence has no significance effect on the timeliness of corporate financial reporting

2.2.2 Audit Committee Diligence and Timeliness of Corporate Financial Reporting

Audit committee diligence, meeting, or activity reflects the members of the committee on audit commitment in carrying out their duties and functions in an organisation. According to the Nigerian Corporate Governance Code (2018), board meetings are the principal vehicle for conducting the business of the boards and successfully fulfilling the strategic objectives of the company. Therefore, audit committee meetings would help uncover any financial improprieties and resolve problems that might occur in the reporting process (Mobo & Umoren, 2016), hence frequent meetings in the audit committee would help reduce problems in the financial reporting process that may cause delay or lag in reporting.

Regardless of the envisaged benefits on the frequency of meeting in the audit committee, arguments have sprung up. Leading proponent of the first argument, Vefas (1999) believed that frequent meeting in the board signals weakness in the board and limit its performance. In relation to timeliness of financial reports, audit committee meeting would not be helpful in resolving financial issues, therefore, extending reporting lag.

Contrary to this argument, Lipton and Lorsch (1992) hold the stance that frequent board meeting helps the board members to carry out their board function effectively and efficiently. In line with this argument, frequent audit committee meeting would reduce the reporting lag.

In empirical literature, three views exist. First view is that audit committee diligence reduces the reporting lag (Alshrife, Subekti, & Widya, 2016; Yuno, 2017; Chukwu & Nwabouchi, 2019; Juwital et al., 2020). The second view in empirical literature is that audit committee diligence increases the reporting lag (Kaaroud et al., 2020; Zaitul & Ilona, 2019). While Al-Muzaiqer et al. (2018); Akinleye & Aduwu (2019); Baatwah et al. (2015); Eze & Nkak (2020); Ojaremu & Jeroh (2019); Pradipta & Zalukhu (2020); Raweh et al. (2019) and Soyemi et al. (2019) found no evidence that the relationship between audit committee diligence and the timeliness of financial reporting. Therefore, we hypothesize that:

H₀₂: Audit committee diligence has no significance impact on the timeliness of corporate financial reporting

2.2.3 Audit Committee Diversity(Gender) and the Timeliness of Corporate Financial Reporting

We cannot overemphasise the role of women in the board and audit committee of an organisation. We can attribute this to their multitasking nature in taking care of the children and running of the chores of the home effectively and efficiently. Resource dependency theorists and gender advocates are of the opinion that including women in the board would lead to heterogeneity of ideas and experience (Aifuwa & Embele, 2019; Saidu & Aifuwa, 2020), and better monitoring in the board (Chukwu & Nwabochi, 2019). Discussions on the role of women have in the board have sparked arguments in recent times. The presence of women in the boardroom either positively or negatively affects the performance of the firm (Musa, Jerry & Abdulrashed, 2020), and likewise the timeliness of financial reporting. On the positive impact on the board, Abbott, Parker, & Presley (2012) argue that women have multitasking ability that can be applied in the board to solving problems. Ilaboya & Lodikero (2017) further argue that women are better in acquiring voluntary information which might subsequently help to reduce information asymmetry.

However, Earley & Mosakowskil (2002) argue that inclusion of women in the board may lead to a communication problem resulting from low-level identity. That heterogeneous board cannot efficiently build team spirit. Campbell & Minguez-vera (2008) further advanced the argument that increased number of female in the board would lead to a more diverse opinion on a particular issue, which would consequently lead to a time-consuming & less effectiveness in decision making. In relation to an audit committee, researchers have carried less than a handful of empirical studies. Even with the little works done, there is a situation of inconclusive findings. Chukwu & Nwabochi (2019); Soyemi et al. (2019) and Zaitul & Ilona (2019) found no relationship between the female directors in the audit committee and

the timeliness of financial reporting. However, Juwita et al. (2020) found a significant and negative relationship between the female directors in the audit committee and the timeliness of financial reporting, women in the audit committee reduces the financial reporting lag. We therefore hypothesize that:

Ho₃: Audit committee diversity (gender) has no significance impact on the timeliness of corporate financial reporting

Women are ethically conscious and not likely to engage in opportunistic behaviour (Ilaboya & Lodikero, 2017). In line with the Agency theory, when financial reports are not timely reported, managers may use it to accomplish their opportunistic behaviour in carrying out financial malpractices. Therefore, the female nature could be beneficial to the board to boost independence in the audit committee to reduce reporting lag. Also, drawing inspiration from the works of (Abbot, Parker, & Presley, 2012; Ilaboya & Lodikero, 2017) that the presence of women in the board reduces the likelihood of financial statement fraud; we therefore hypothesize that:

Ho₄: Audit committee diversity (gender) has no significance impact on nexus between audit committee independence and the timeliness of financial reports

2.2.4 Control Variables

We used two firm specific variables (profitability and firm size) as control variables. Profitability is a measure of management and firm performance. Firnanti & Karmudiandri (2020) termed ‘good performance’ as good news, that if a management of organization reports or publish this good news, it would positively affect its public reputation. Good news is reported faster than bad news. Empirical evidence shows that higher profitability or good news, the shorter the audit report lag (Armand et al., 2020; Fujianti & Saitria, 2020; Putri et al., 2017). Also, there is the assumption that large companies can complete their audit report within a short time frame (Firnanti & Karmudiandri, 2020; Juanita & Satwiko, 2012; Mbobo & Umoren, 2016). Mudugu, Eragbhe, & Ikhatua (2012) further added large companies have more financial prowess to pay for quality and timely audit services.

3. Methodology

3.1 Theoretical Framework and Model Specification

We hinged our study on the Agency theory of Jensen and Meckling (1976) with reinforcement from the Lipman-Blumen’s (1976) Homosocial theory of Sex Roles to explain the impact of audit committee attributes on the timeliness of financial reporting, and to further explain the moderating effect of female representation in the audit committee on audit committee independence and diligence (meetings) towards achieving timely financial reports. The Agency theory explains the relationship that exists between the owners (shareholders) and the managers of a firm (Aifuwa et al., 2018; Saidu & Aifuwa, 2020). The goal of the theory is to resolve problems that may occur in an agency relationship because of the managers’ opportunistic behaviour (Ilaboya & Lodikero, 2017; Saidu & Aifuwa, 2020). The opportunistic behaviour of managers have resulted to sub-optimal investment decision, information asymmetry (reporting lag) and increase in agency cost (Fama, 1983; Odjaremu & Jeroh, 2019; Zandi & Abdullah, 2019; Zaitul & Iona, 2019, Firnanti & Karmudiandri, 2020). Theorists have recommended the institutionalisation of an audit committee in an organisation to help resolve these highlighted agency problems. Therefore, the audit committee attributes are crucial to achieving these set goals.

The Homosocial theory of sex role clarifies the social bonds of an individual of same gender with no sexual interest (Lipman-Blumen, 1972). The theory explains the reality of the exclusion of women in a social structure or institution. This theory is used to explain the joint effect of the joint effect of female directors and audit committee independence on the timeliness of financial reporting. Empirical evidences show that female directors in the audit committee do not have the potentials of reducing reporting lag of an organisation (Chukwu & Nwabochi, 2019; Soyemi et al. 2019; Zaitul & Iona, 2019), notwithstanding thier multitasking, information gathering, cautious, risk-averse and less aggressive nature in making-decision (Ilaboya & Lodikero, 2017). However, this study envisaged that female directors in the audit committee would promote the committee’s independence in carrying out its function effectively and efficiently.

3.2 Model Specification

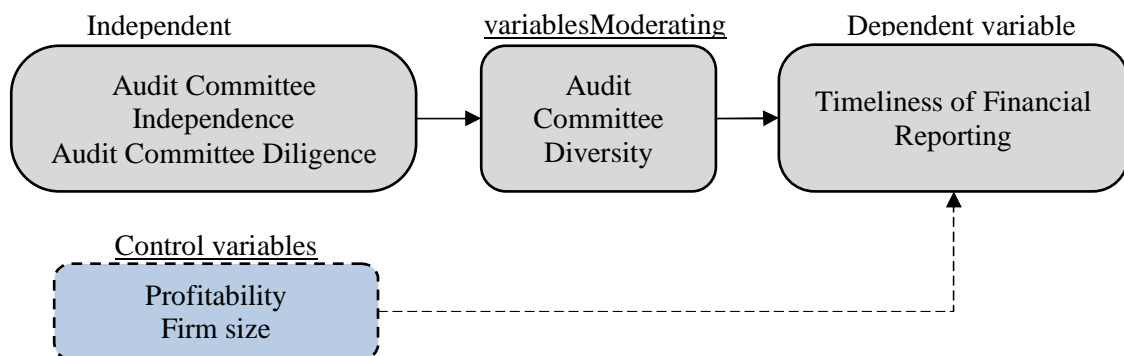


Figure 1. Schematic representation of variables of the study

Flowing from the theoretical framework and extant literature, we specified the model as;

$$TCFR = f(ACIND; ACDIL; ACGD) \dots\dots\dots(1)$$

In econometric form:

$$TCFR_{LAGit} = \beta_0 + \beta_1 ACIND_{it} + \beta_2 ACDIL_{it} + \beta_3 ACGD_{it} + \varepsilon_{it} \dots\dots\dots(2)$$

Adding the moderating variable to the study we have our model to be represented as;

$$TCFR_{LAGit} = \beta_0 + \beta_1 ACIND_{it} + \beta_2 ACDIL_{it} + \beta_3 ACGD_{it} + \beta_1 ACIND_{it} * \beta_3 ACGD_{it} + \varepsilon_{it} \dots\dots\dots(3)$$

Adding control variables to the study we have our model to be represented as;

$$TCFR_{LAG} = \beta_0 + \beta_1 ACIND_{it} + \beta_2 ACDIL_{it} + \beta_3 ACGD_{it} + \beta_1 ACIND_{it} * \beta_3 ACGD_{it} + \beta_4 PROF_{it} + \beta_5 FSZE_{it} + \varepsilon_{it} \dots\dots\dots(4)$$

Where

TCFR= Timeliness of Corporate Financial Reporting;

β_0 = Constant;

ACIND = Audit Committee Independence;

ACDIL = Audit Committee Diligence;

ACGD = Audit Committee Diversity (Gender);

PROF = Profitability;

FSZE = Firm Size

$\beta_1, \beta_2, \beta_3$ = Coefficient of explanatory variables

ε = Standard error

i = Cross sectional (Companies)

t = Time Series

A priori expectations in with extant literature to be $\beta_1, \beta_2, \beta_3 < 0; \beta_4 > 0$

Table 1

Measure of variables

Variable	Type	Measurement	Supporting Scholars
Timeliness of Corporate Financial Reporting (TCFR)	Dependent Variable	Number of days from date of financial year-end (FYED) to the date of auditor sign the audit report (ARD).	Al-Muzaiqer, et al (2018); Pradipta & Zalukhu (2020); Raweh et al (2019); Firnanti & Karmudiandri, (2020)
Audit Committee Independence (ACIND)	Independent Variable	The number of non-executive directors on the audit committee	Odjaremu & Jeroh (2019); Zandi & Abdullah (2019); Zaitul & Iona (2019), Firnanti & Karmudiandri (2020)
Audit Committee Diligence (ACDIL)	Independent Variable	Total number of audit committee meeting held in the financial year	Odjaremu & Jeroh (2019); Akinleye & Aduwo (2019)
Audit Committee Diversity (Gender)	Independent Variable/Moderating	Total number female gender present on the audit committee	Zaitul & Iona (2019), Chukwu & Nwabochoi (2019)
Profitability (PROF)	Control Variable	Measured by ROA; Profit after tax divided by Total assets	Ha, Hung, & Phuong (2018); Firnanti & Karmudiandri (2020); Armand et al. (2020)
Firm Size (FSZE)	Control Variable	Natural logarithm of total assets	Aifuwa & Embele (2019); Saidu & Aifuwa (2020); Firnanti & Karmudiandri (2020)

Source: Authors' Compilation, 2020.

3.3 Research Design

This study adopted the multi-method quantitative research design. We adopted this design for the study because we incline it on the positivist research philosophy and deductive approach. Second, it examines relationships between variables measured numerically and analysed using a range of statistical and graphical techniques (Saunders, Lewis, & Thornhill, 2016).

3.4 Method of Data Collection and Analysis

The population comprised all listed firms in Nigerian Stock Exchange (164 listed companies as at 31st March 2020) (NSE Website, 2020). We scientifically derive the sample size using the Yamane's (1967) formula, which yielded a hundred and sixteen (116) listed firms. Based on grouping on firms in the NSE website, we used the stratified random techniques to select the sampled firms

from the entire population. We utilised secondary data (audited financial statements) from the Nigerian Stock Exchange spanning from 2017 to 2018. This period was selected to know the current state of the phenomenon studied. Descriptive and inferential statistics was used to analyse data. Robust Least Squares regression was used to test hypotheses raised because it is not sensitive to serial correlation, non-normal distribution, and constant residual errors (Renaud & Victoria-Fester, 2010; Saliban-

Barrera & Yohai, 2006). These statistical problems could occur due to outliers in observations that do not reflect the underlying statistical relationship in coefficient estimates (Croux, Dhaene, & Hoorelbeke, 2003; Maronna, Martin, & Yohai, 2006; Renaud & Victoria-Fester, 2010; Saliban-Barrera & Yohai, 2006).

4. Data Presentation, Analysis and Discussion of Findings

Table 2

Descriptive statistics

	TCFR	ACIND	ACDIL	ACGD	PROF	FSZE
Mean	76.49569	3.150862	4.327586	0.818966	-0.039586	9.814496
Maximum	112.0000	4.000000	8.000000	2.000000	0.090000	12.93500
Minimum	38.00000	2.000000	2.000000	0.000000	-0.523000	7.330000
Std. Dev.	16.46668	0.525208	1.175330	0.639252	0.164481	1.156377
Observation	232	232	232	232	232	232

Source: Authors' Computation, 2020.

From the descriptive statistic table above, audit report lag (a proxy for timeliness of financial reporting) stood at about 77 days with minimum and maximum of 38 and 112 days respectively, and the standard deviation of about 17 days was below the mean, the firms investigated reports their financial statement on time. The mean of the audit committee independence stood at 3.15, this implies that an average of about 3 non-executive directors in the audit committee, with a minimum and maximum of 2 and 4 non-executive members in the audit committee. Audit committee diligence stood at about 4 with a minimum and maximum 2 and 8 meetings held in the audit committee. The representation of female directors in the

audit committee stood at 0.81 (that is about one female director), with minimum and maximum representation in the committee of 0 and 2, respectively. Profitability mean stood at -0.0395, with a standard deviation of 0.164481 which is high and above the mean, suggesting that PROF investigated do not exhibit considerable clustering around the mean. Lastly, the mean of Firm size (FSZE) investigated stood at 9.814496 (that is about ₦9,814,496,000) with a standard deviation of ₦1,156,377,000 which is low, suggesting that firm size (FSZE) investigated exhibit a considerable clustering around the mean.

Table 3

Linearity of variables

	TCFR	ACIND	ACDIL	ACGD	PROF	FSZE
TCFR	1.000000	-0.309016	-0.165224	0.150444	-0.266300	0.114392
ACIND		1.000000	0.228161	-0.124604	0.091681	-0.144790
ACDIL			1.000000	-0.122388	-0.223380	-0.020594
ACGD				1.000000	-0.112178	0.175908
PROF					1.000000	0.014443
FSZE						1.000000

Source: Authors' Computation, 2020.

The linearity of variables as presented in Table 3 show that our variables exhibited both positive and negative relationship. Audit committee independence and timeliness of financial reporting (-0.309); Audit committee diligence and timeliness of financial reporting (-0.165); Audit committee diversity and timeliness of financial reporting (0.150), Profitability and timeliness of financial reporting (-0.266) and firm size and timeliness of financial reporting (0.114). As seen in the matrix, the strength of the relationship between variables measured by the Pearson product-moment correlation showed that

the association between the variables is relatively small and were below the threshold of 0.80, suggesting the absence of the problem of multicollinearity in the predictor variables (Studenmund, 2014)

Multivariate Analysis

Table 4 below presents the result of the Robust Least Square Regression Summary. We tested our hypotheses at 5% level of significance (that is, if p-value < 0.05 reject H_0 , else do otherwise).

Robust Least Squares

Dependent Variable: TCFR
 Method: Robust Least Squares
 Date: 05/03/20 Time: 21:41
 Sample: 1 232
 Included observations: 232
 Method: M-estimation
 M settings: weight=Bisquare, tuning=4.685, scale=MAD (median centered)
 Huber Type I Standard Errors & Covariance

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	118.6602	5.407863	21.94217	0.0000
ACIND	-17.85950	1.520437	-11.74630	0.0000
ACDIL	-0.358921	0.603070	-0.595157	0.5517
ACGD	-63.45950	6.253314	-10.14814	0.0000
ACIND*ACGD	19.46894	1.726429	11.27700	0.0000
PROF	-26.56354	3.061380	-8.676982	0.0000
FSZE	1.961350	0.513960	3.816152	0.0001

Robust Statistics			
R-squared	0.376084	Adjusted R-squared	0.356587
Rw-squared	0.696237	Adjust Rw-squared	0.696237
Akaike info criterion	450.5629	Schwarz criterion	483.0934
Deviance	17825.08	Scale	6.368347
Rn-squared statistic	286.9006	Prob(Rn-squared stat.)	0.000000

Non-robust Statistics			
Mean dependent var	76.49569	S.D. dependent var	16.46668
S.E. of regression	14.57241	Sum squared resid	47567.52

Source: Authors' Computation, 2020.

The Robust least squares result revealed that the coefficient of multiple determinations stood at 37.6% and 69.6%. This implies that about 38-70% of the systematic variations in the dependent variable was explained by the independent variables used in the model. Similarly, the Adjusted coefficient of multiple determination stood at 35.7% and 69.6%, suggests that about 36-70% of the systematic variations in the dependent variable was explained by the independent variables, while about 30% was caused by variables not included in the model but captured by the standard error of the regression, *S.E.* = 14.572. The overall Rn-squared statistic (goodness-of-fit test) capable of prediction stood at $Rn = 286.90$, $p < .005$, this implies that all the slope coefficients (excluding the constant, or intercept) in the regression are zero and statistically significant at 5%.

We found out that audit committee independence has a negative and significant relationship on the audit report lag (a proxy for timeliness of financial reporting), $Z(1, 231) = -11.746$, $\beta_1 = -17.860$, $p = 0.0001$. We

cannot accept the null hypothesis that audit committee independence has no significance effect on the timeliness of financial reporting. Our finding is consistent with the work of (Alsfrife et al., 2016; Juwita et al., 2020; Soyemi et al., 2019; Zandi & Abdullah, 2016; Zaitul & Ilona, 2019), however sharply deviates from the submissions of (Chukwu & Nwabochi, 2019; Firnanti & Karmudiandri, 2020; Odjaremu & Jeroh, 2019; Raweh, et al., 2019) that found no evidence on the nexus between auditor committee independence and the timeliness of financial reporting. This finding supports the Agency theory perspective that managers could reduce information asymmetry or reporting lag through the independent audit committee in an organization.

Secondly, we found out that audit committee diligence (meetings) have a negative but insignificant relationship on the timeliness of financial reporting, $Z(1, 231) = -0.595$, $\beta_2 = -0.359$, $p = 0.551$. We failed to reject the null hypothesis stated in the study that audit committee diligence has no significance impact on the

timeliness of financial reports, hence partially support the argument of Lipton and Lorsch (1992) that frequent board meeting helps the board members carry out their board function effectively and efficiently, and reducing reporting lag. The finding is in line with the studies of Al-Muzaiqer et al. (2018); Akinleye & Aduwu (2019); Baatwah et al. (2015); Eze & Nkak (2020); Ojaremu & Jeroh (2019); Pradipta & Zalukhu (2020); Raweh et al. (2019) and Soyemi et al. (2019) that audit committee diligence has no impact on the timeliness of financial reporting. This negates the views of (Alshrif et al., 2016; Chukwu & Juwital et al., 2020; Nwabouchi, 2019; Yuno, 2017) that audit committee diligence significantly reduces audit report lag, and the findings of (Kaaroud et al., 2020; Zaitul & Ilona, 2019) that audit committee diligence increases financial reporting lag. This result supports the agency theory that frequent meetings in the audit committee would help reduce problems in the financial reporting process that may cause delay or lag in reporting.

The presence of female gender in the audit committee significantly reduces audit report lag, increasing the timeliness of financial reporting, $Z(1, 231) = -10.148$, $\beta_3 = -63.460$, $p = 0.0000$. This result supports the augment of Abbott et al. (2012) that the multitasking feature of women would help in solving board's problem, which includes financial reporting lag. Our finding is in line with the study of Juwita et al. (2020), but deviates sharply from the studies of (Chukwu & Nwabochi, 2019; Zaitul & Ilona, 2019; Soyemi et al., 2019), that found no relationship between the presence of women in the audit committee and the timeliness of financial reporting. The result of this study exposes the weakness of the Lipman-Blumen's (1976) Homosocial theory of Sex Roles that women's roles as child bearer and child rearer significantly reduces their effectiveness and efficiency in the corporate world.

We found that audit committee diversity (gender) has a significance and positive impact on the nexus between audit committee independence and the timeliness of financial reports, $Z(1, 231) = 11.277$, $\beta_4 = 19.468$, $p = 0.0000$. This implies that the increase in the presence of independent female directors in audit committee will increase the audit report lag by about 20 days. This result is in line with the prediction of the agency theory that managers' opportunist behaviour would lead sub-optimal investment decision, information asymmetry (reporting lag) and increase in agency cost. The result brings to the reality of what will happen when women are given so much power and independence in an organization or society. They there is a high probability that they will misuse their position to breakdown the Agency relationship.

Lastly, we found out that profitability significantly reduces audit report lag, while firm size increases audit report lag, $Z(1, 231) = -8.677$, $\beta_5 = -26.563$, $p = 0.0000$. & $Z(1, 231) = 3.816$, $\beta_6 = 1.961$, $p = 0.0001$ respectively.

5 Conclusion and Recommendations

From the descriptive statistics the average audit report lag was below the stock exchange's deadline of ninety

(90) days, showing a considerable compliance rate among dealing firms. From the inferential statistics result, we concluded that audit committee attributes impact the timeliness of financial reporting in Nigeria. Specifically, audit committee independence, and female gender in the committee significantly reduces audit report lag, leading to the timeliness of financial reporting. Audit committee diligence had no impact on the timeliness of financial reporting; while, more independent female directors in the audit committee will not reduce audit report lag. Therefore, based on findings of the study, we recommended that;

1. Firms should continue to sustain the culture of having non-executive directors in the audit committee to promote timely financial reporting;

2. The meeting held in the audit committee should be increased to allow the directors in the audit committee deliberate more on issues that will lead to timely production of financial reports;

3. Organizations should encourage women in the audit committee by establishing policy on gender equality in the committee; and

4. Appropriate measures should be put in place by organization to checkmate the activities of powerful female directors in the audit committee.

The findings of the study are subject to a limitation of sampling and period studied may not be full representation of the phenomena.

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