Audit Committee Attributes and Reporting Lag of Listed Consumer Goods Firms in Nigeria

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Abstract
This study examined the effect of audit committee attributes on audit report lag of listed consumer goods firms in Nigeria. Data for the study were derived from annual reports of thirteen consumer goods companies listed on the Nigerian Stock Exchange for the periods 2013 to 2017. The data were analyzed using auto regressive distributive lag and the regression estimation results revealed a positive relationship exists between audit committee size, audit committee expertise, audit committee meetings, leverage and audit report lag, a negative relationship between audit committee independence, board size and audit report lag of listed companies in Nigeria. The paper concluded that audit committee size, expert and knowledge affects audit report lag while independence and meeting does not affect audit report lag. Therefore the paper recommends that members of audit committee should be people with some level of knowledge and experience in financial management and accounting to understand the accounting and monitoring role of the committee; managers and owners of corporations must endeavour to be objective in the election or selection process for members of audit committee; and government through relevant agencies should sanction erring corporation that fails to adhere to best practice in corporate governance structure in the area of audit committee.

Keyword: Audit Committee Attributes, Audit Report Lag, Listed Companies, Consumer Goods, Nigeria

INTRODUCTION
Audit committee are members appointed by a company as a liaison between the board of directors and the external auditors, this committee normally has a majority of non-executive directors and is expected to view the company’s affairs in a detached and dispassionate manner” (Habbash, 2010; Emeh and Appah, 2013). According to Robinson and Owen- Jackson (2009), audit committees are selected members of companies who take an active role in overseeing the companies accounting and financial reporting quality policies and practices. Therefore to promote good corporate governance and enhance the integrity of financial reporting, audit committee act as an integral part of corporate governance structure and it is one of the mandatory committees of the board of directors that is established to provide support to the board by offering objective advice on issues concerning risk, control and governance of the organization (Eyenubo, Mohammed and Ali, 2017). Ayemene and Elijah (2015) report that audit committee is a sub-committee of the board that specializes in, and is responsible for, ensuring the accuracy and reliability of the financial statements provided by management. The audit committee serves as a
liaison between the external auditor and the board of directors, and facilitates the monitoring process by reducing information asymmetry between the external auditor and the board. This committee plays an important role in monitoring management practices in order to help protect the shareholder’s value (Islam, Islam, Bhattacharjee and Islam, 2010). This is done through the inspection of the integrity of the annual reports, enhancing the quality and credibility of audited financial reports, and finally by guaranteeing the financial report, internal control and management risk reliability (DeZoort, Hermanson, Archambaut and Reed, 2002). Therefore, Global accounting and governmental bodies require the audit committees to be independent and highly competent whilst possessing a high level of integrity (Daw and Pham, 2014; Khliif and Samaha, 2014, 2016). Audit committees, to be qualified and trustable, are required to hold some crucial attributes. Such attributes include independent and expert members with sufficient expertise and experience in relative accounting and financial management (Al Fraih, 2016; Ghafran and Yasmin, 2018). The committee size is required to be large and to hold frequent meetings in order to perform its duties more effectively (Aljaadi, Bagulaidah, Ismail and Fadzil, 2015; Raweh, Kamardin and Malik, 2019). An effective audit committee minimizes the errors in the financial statement and increases the probability of detecting management fraud (Goodwin and Seow, 2002).

Bédard and Gendron (2010) stated that audit committee independence, size competency, and meetings have highest impact on financial reporting quality. In addition, Dellaportas, Leung, Cooper, Rochnah and Moh (2012) document that that corporations with big audit committees, more independence of committee memberships and further experienced members, are more likely to provide clear reports about the quality of financial information on time. This means that audit committees are expected to effectively monitor management practices, enhance the quality of annual financial reports, and discover any manipulation of earnings (Saleem et al., 2016). Furthermore, Felo and Solieri (2009) asserted that audit committee features (independent members and audit committee financial experts) are positively associated to aspects expected to improve the financial reporting procedure.

The annual audit length has been specified as one of the most significant factors determining the timeliness of financial reporting by companies (Knechel and Sharma, 2012; Abernathy, Barnes, Stefaniak and Weisbarth, 2017). As required by regulations in several countries, companies are only allowed to issue their financial reporting after certification of external auditor and release the audit report (Abernathy et al., 2017). Audit lag is identified as the number of days from the end of company’s fiscal year to the date of audit report (Swanson and Zhang, 2018). Some research has shown that audit report lag is critical because it is related to public’s confidence in the audited financial reports (Salleh, Baatwah and Ahmad, 2017; Raweh, Kamardin and Malik, 2019). Delay of audit report jeopardises the quality of accounting information by not giving timely information to shareholders (Nor et al., 2010). Late disclosure of the auditor’s opinion about the fairness of financial information results in increase asymmetric information and uncertainty in investment decisions (Afify, 2009; Mande and Son, 2011). Hence, this may negatively influence investor’s trust in the equity markets. Therefore, audit lag directly impacts the timeliness of financial reporting that affect the decision-making process (Ahmad, Mohamed and Nelson, 2016).

Related past studies have stated that audited financial reports disclosure in developing countries is not in a timely manner and there is a significant lag in audit report timeliness behind those of developed economies (e.g. US and UK) (Afify, 2009; Baatwah et al., 2015a; Alfraih, 2016). Given the importance of financial report lag to investors, identifying the determinants of financial report
lag has been of interest of scholars as exhibited in recent research conducted by Abernathy et al. (2017), Sharma, Tanyi and Litt (2017), Wan-Hussin, Bahamros and Shukeri (2018) and Salehi, Bayaz and Naemi (2018), Raweh, Kamardin and Malik (2019). However, very few empirical studies investigated the factors impacting the lag of financial reports in Nigeria. Thus, this study fills the gap in the prior literature by providing evidence on the relationship between audit committee characteristics and audit report lag of consumer goods listed on Nigerian Stock Exchange. Therefore, to achieve this objective, the paper is divided into five interconnected parts. The next section presents the literature review. Section three describes the materials and methods; section four the results and discussions and the final section presents the conclusion and recommendations.

LITERATURE REVIEW
In the literature review, the focus is on the audit committee attributes and its relationship with audit report lag. The review comprises of conceptual framework which evaluates audit committee, defines the dependent and independent variables and explains some of the theories behind them. Then, the empirical framework is also reviewed. This comprises of the review of local and international works already carried out on audit committee in a number of countries and industries.

Conceptual Framework
Audit Committee
Audit committee is an important committee of corporation that ensures that companies’ management is working to improve and increase the wealth of all shareholders (Al-Matari, Hassan and Alaary, 2016; Al-Matari, Homaid and Alaary, 2016). The role of the audit committee helps to minimize the information asymmetry, and consequently reduce and solve agency problems (Boo and Sharma, 2008). Furthermore, Turley and Zaman (2004) elucidate that the effective observation of the audit committee protects the interests of shareholders in light of the annual financial reporting, external auditing efficiency and internal control. Audit committees, to be qualified and trustable, are required to hold some crucial features. Such features include independent and expert members with sufficient expertise and experience in relative fields. The committee size is required to be large and to hold frequent meetings in order to perform its duties more effectively. An effective audit committee minimizes the errors in the financial statement and increases the probability of detecting management fraud (Goodwin and Seow, 2002). One of the major responsibilities of an audit committee is overseeing the process of financial reporting and external auditor’s work, as well as strengthening the internal control (Bédard and Gendron, 2010). Hence, the audit committee is more likely to directly affect the activities and procedures of the external auditor, especially involving time taken to release the audit report positively. Theoretically, the agency theorists claim that audit committee is the most significant internal governance mechanisms to reduce agency conflict among managers and owners (Komal and Bilal, 2016; Raweh, Kamardin and Malik, 2019 ) and ensures that better information flows between them by its overseeing function over the fundamental activities of business (Ika and Ghazali, 2012). The audit committee is also the most important internal observing tool that can ensure the quality and timeliness submission of financial reporting (Afify, 2009; Shukeri and Islam, 2012). In the same vein, audit committee can reduce the delay of audit report, by enhancing the internal control of client; hence minimize audit business risk and time of audit actions (Sultana, Singh, and Van der Zahn, 2015). Past studies had provided emphasis that the audit committee is effective in carrying out its duties if it has independent directors, expertise, sufficient size, and

**Audit Report Lag**

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**Association between Audit Committee Size and Audit Report Lag**

The size of audit committee is the number of directors appointed to be members in the audit committee, in this regard there could be small, medium and large audit committees. In Nigeria, the Companies and Allied Matters Act, 1990 states that a public limited liability company should have an audit committee (maximum of six members of equal representation of three members each representing the management/ directors and shareholders) in place. The members are expected to be conversant with basic financial statements. It is argued that an increase in audit committee size can result in lack of active participation by some directors, which in turn impairs cohesion in decision-making, and undermining the controlling and monitoring functions (Hillman and Dalziel, 2003). According to Bédard and Gendron (2010), audit committee with a small size has a diversity of expertise and can ensure the appropriate monitoring. Contrary, other studies have suggested that large audit committee size increases the variety of experience and sufficient resources, as well as improves the overseeing quality (Shukeri and Islam, 2012). Past studies have found that the audit committee size has a negative and significant association with audit report lag, indicating that more members in audit committee improve the timeliness of audit report (Mohamad-Nor et al., 2010; Shukeri and Islam, 2012; Li, Zhang and Wang, 2014). However, studies such as Wan-Hussin and Bamahros (2013) and Baatwah et al. (2015) found an insignificant relationship between AC size and audit report lag, based on the above discussion, and incompatibility of views. We therefore on the basis of previous studies hypothesize the following:

**H1:** Audit Committee Size is positively and significantly associated with audit report lag period.

**Association between Audit Committee Independence and Audit Report Lag**

According to Eriabie and Izedonmi (2016), audit committee independence implies that its members do not have any relationship with the management of the company and that there is no influence from any of the majority shareholders, officers and executive directors of the company on the audit committee. The independence of the audit committee has been widely investigated in a variety of past studies. It has been widely argued as being one of the key attributes related with
the effectiveness of the audit committee. According to Baatwah, Salleh, and Ahmad, (2015), independent directors have more motivation and expertise to reduce opportunistic behaviour, fraud and misleads in the accounting statements and in which to guarantee the interests of shareholders and the quality of financial information (Al-Rassas and Kamardin, 2016). Moreover, directors with financial expertise in audit committee are more efficient when they are independent (Sharma and Kuang, 2014).

Salleh, Baatwah and Ahmad (2017) found that, audit committee financial expertise is not related to reducing audit report lag, while they did further examination if the board of director has a majority of independent directors, they revealed that audit committee financial expertise and independence significantly strengthen the timeliness of audit report. Some previous studies had found significant and negative association between audit committee independence and audit report lag (Wan-Hussin, Bamahros, Shukeri, 2018; Sultana, Singh, and Van der Zahn 2015). On the other hand, other researchers, Mohamad-Nor, Shafie, and Wan-Hussin (2010), Apadore and Noor (2013) and Baatwah Salleh, and Ahmad (2015) found an insignificant relationship between audit committee independent directors and audit report lag. Also Raweh, Kamardin and Malik (2019) found no evidence that audit committee independence is related with audit report lag. We therefore hypothesize the following:

**H2:** Audit Committee Independence is positively and significantly associated with audit report lag period.

**Association between Audit Committee Financial Expertise and Audit Report Lag**

The experience and knowledge in accounting and financial management related issues is considered as an important dimension for an audit committee, this advantage can help the audit committee members to be more conversant with financial and operational reports that enable them to execute their oversight duties effectively (Emeh and Appah, 2013). Several Studies have investigated the relationship between financial expertise of audit committee members in the financial reporting process (Naiker, and Navissi, 2010; Emeh and Appah, 2013; Salleh, Baatwah and Ahmad, 2018) and found a direct link between the financial expertise of the audit committee and various financial reporting quality-related issues. More recently, Bruynseels and Cardinaels (2014) found that the proportion of financial experts on the audit committee is positively related to the demand for audit effort. He and Yang (2014) report that the proportion of financial experts on the audit committee is related to significantly lower earnings management, and Raweh, Kamardin and Malik (2019) studied audit committee characteristics and audit report lag in Oman found that financial expertise of the audit committee reduces audit report lag. Abernathy et al. (2014) had found that the audit committee with a high proportion of accounting and financial expertise is related to timely audit reports. Sultana, Singh, and Van der Zahn (2015) and Baatwah Salleh, and Ahmad, (2015) further found that the audit committees which have financial expertise led to reduce audit report lag. Eriabie and Izedonmi (2016) found a positive and significant relationship between audit committee financial expertise and financial reporting quality in Nigeria. However, empirical evidence from Malaysia conflicts with this prediction and shows that audit report lag is not significantly associated with audit committee financial expertise (Mohamad-Nor, Shafie, and Wan-Hussin (2010); Wan-Hussin and Bamahros, 2013). From this discussion, the following hypothesis is proposed:
**H3**: Audit Committee financial expertise is positively and significantly associated with audit report lag period.

**Association between Audit Committee Meeting and Audit Report Lag**
The number of audit committee meetings is an indicator of audit committee effectiveness. This is because the various users of financial reports perceive fewer meetings as an indicator of less commitment and insufficient time to oversee the financial reporting process (Madawaki and Amran, 2013). Mohamad-Nor, Shafie, and Wan-Hussin (2010) stated that, the audit committee have to meet frequently and write down its conclusions in carrying out its responsibilities and duties. The study also showed that, meeting frequency of audit committee can reduce the audit report lag. Aljaaidi, Bagulaidah, Ismail and Fadzil (2015) in their study of the determinants of audit report lag in Jordan found that, frequent audit committee meetings results to reduced delay in audit report. While other researchers found no relationship between audit committee meetings and audit report lag (Batwah Salleh, and Ahmad, 2015; Sultana, Singh, and Van der Zahn 2015; Salleh, Batwah, and Ahmad, 2017; Raweh, Kamardin and Malik, 2019). Therefore, on the basis of prior studies, the following hypothesis is proposed:

**H4**: Audit Committee meeting is positively and significantly associated with audit report lag period.

**Theoretical Framework**
A number of theories have been formulated which the present day audit committee measurement is derived.

**Agency Theory**: Agency theory identifies the agency relationship with one party, the principal who delegates work to another party, the agent (Appah, 2019). It is based on the relationship between the principal and the agent. The separation of ownership from management in modern corporations provides the context for the functioning of the agency theory. The theory of agency relationship mirror the basic structure of a principal and an agent who are engaged in cooperative behaviour, but have differing goals and attitudes towards risk. In the context of a corporation, the owners are the principal and the directors the agent (Emeh and Appah, 2013). In organizations and issues of corporate control, agency theory views corporate governance mechanisms, especially the board of directors as being an essential monitoring device to try to ensure that any problem that may be brought about by the principal-agent relationship are minimized (Appah, 2019). According to the agency theory, audit committees are important bodies that ensure the companies’ management is working to improve and increase the wealth of all shareholders (Al-Matari, Hassan and Alaaraj, 2016; Al-Matari, Homaid and Alaaraj, 2016).

**Power Theory**: Al-Lehaidan (2006) defined power as the situations in which one social actor prevails over others. Power often is an implicit element in the control of organizational action. Hence, components of organizations, such as audit committees, must possess power to discharge their responsibilities effectively. In the context of audit committees, Kalbers and Fogarty (1993) identified six types of power that could affect audit committee such as legitimate power, sanctionary power, information power, expert power and will power. In their study, they investigated the contribution of the power of audit committees in 90 US firms. Kalbers and Fogarty proposed that audit committee effectiveness is perceived as function of the types and extent of audit committee power. Their results revealed that the will power (diligence) has the most
impact on audit committee effectiveness among the personal powers. Also, they review that formal, written authority and observable support from management played the most important roles in audit committee effectiveness (institutional powers). The classification of the different type of powers by Kalbers and Fogarty has aided the understanding that audit committees are composed of individuals, and as a result, their personal attributes cannot be ignored. Furthermore, the desire to do the work of the audit committee with a high level of commitment could be an important factor in determining audit committee effectiveness (will power). The will power is enhanced greatly if the audit committee members were independently nominated and remained independent from management while playing their oversight role of ensuring that the quality of the financial reporting process is not impaired (Al-Lehaidan, 2006).

**Stakeholder Theory:** Stakeholders are those groups who are vital to the survival and success of the corporation. According to Appah (2019), a stakeholder is any group or individual who can affect or be affected by the achievement of an organisation’s objectives. This theory observes that the company is a separate organizational entity and it is connected to different parties in achieving wide range of objectives. The theory highlights interests of different groups and argues on the possibility of favoring one group’s interest over that of others. If the unity of the corporate body is real, then there is reality and not simply legal fiction in the proposition that the managers of the unit are fiduciaries for it and not merely for its individual members, that they are trustees for an institution rather than attorneys for the stockholders. This confirms the nature of stakeholder theory compared to agency theory. The theory highlights interests of diverse groups and argues on the likelihood of favouring one group’s interest over that of the other pointed out that managers are responsible for deploying their wise decisions and best efforts in obtaining benefits for all stakeholders. The board cannot overlook its responsibilities in protecting stakeholders’ interest. Hillman, Keim and Luce (2001) found that conclusion of interested parties in the board merely improves their relation and performance. An active audit committee ensures better corporate governance practice in a firm that ultimately leads to the overall welfare of stakeholders. The definition of active audit committee given by Dezoort, Hermanson and Archambeault (2002) emphasised the stakeholders’ interest. They argued that the ultimate goal of the audit committee is to protect stakeholders’ interest and welfare.

**Empirical Review**

Raweh, Kamardin and Malik (2019) studied audit committee characteristics and audit report lag in Oman using data from 255 companies listed in the Muscat Securities market from 2013 to 2017. Multivariate analyses of their investigation showed that audit committee size positively associated with audit report lag and audit committee financial expertise reduces audit lag. However, their study did not find evidence that audit committee independence and meetings are associated with audit report lag. Therefore they concluded that internal mechanisms of corporate governance in Oman are not effective compared to more developed nations and that policymakers in this emerging market should enforce motivate practices of corporate governance in substance rather than simply adhering to practices in the form. Also Bouaine and Hrichi (2019) studied the impact of audit committee adoption and its characteristics on financial performance of 100 French companies. Their results indicated that the independence of the audit committee have a negative impact on the performance measured by ROE and ROA. The results also revealed that the size, the financial expertise and the diligence of the audit committee have no impact on the financial performance of listed French companies when the performance is measured by ROE.
Ohaka and Tom-Abio (2018) investigated audit committee independence and corporate financial reporting quality in Aluminum Corrugating Companies in Rivers State. Their study showed that audit committee independence significantly relate with corporate financial reporting quality in Aluminium Corrugating companies in Rivers State.

Wasonga and Omoro (2017) investigated the effect of audit committee effectiveness and audit evaluation on audit quality. Their study revealed that the independence of the audit committee, qualification of its members as reflected on the knowledge and expertise and the size of the committee is believed to improve the financial reporting quality. Handayani and Yustikasain (2017) analysed corporate governance and audit report lags of listed manufacturing companies in Indonesian Stock Exchange in 2013-2015. The result of the study showed that independent board of commissioners has no significant effect on audit report lags, competence of Audit Committee members has significant effect on auditor report lags.

Ghafran and Yasmin (2017) analysed audit committee chair and financial reporting timeliness: a focus on financial expertise, experimental and monitoring expertise of FSTSE 350 companies for the period 2007 to 2010. The result of their study revealed that the experiential and monitoring expertise of audit committee chairs have a significant negative association with the delay in the audit report lag period, possibly resulting in more effective audit committee chairs, at least in the face of financial reporting timeliness. Their study also revealed that audit committee composite compliance variable has a significant negative association with the audit report lag period, which suggests that a firm's compliance with audit committee regulations is also beneficial for financial reporting timeliness.

Wiralestari and Tazil (2015) studied the effectiveness of audit committee toward financial reporting quality of listed non-financial issuers in Indonesian Stock Exchange. Their research revealed that audit committee had significant impact on financial reporting’s quality. Emeh and Appah (2013) studied audit committee and timeliness of financial reports of 35 listed firms in the Nigerian Stock Exchange. Their results showed that audit committee independence (ACI) is significantly related to the timeliness of financial reports; Audit committee meeting (ACM) is not significantly related to timeliness of financial reports; Audit committee expertise (ACE) is significantly related to the timeliness of financial reports and Audit committee size (ACS) is not significantly related to the timeliness of financial reports. Similarly, Madawaki and Amran (2013) investigated audit committee and financial reporting quality of 70 companies listed on the Nigerian Stock Exchange. Their results indicated that formation of audit committees was positively associated with improved financial reporting quality. It was also indicated that audit committees with an independent chair and audit committee expertise were positively associated with financial reporting quality. Other audit committee characteristics examined were found to be insignificantly related to financial reporting quality.

Othman et al. (2014) examine the relationship between audit committee characteristics and mandatory disclosure of largest 100 companies in Bursa Malaysia. The study found no relationship between audit committee independence, expertise, meetings and size and the mandatory disclosure of ethics, while audit committee tenure and multiple directorships had positive and negative
relationship respectively with mandatory disclosure. In summary, there is still conflicting evidence in the relationship between audit committee and disclosures. Abernathy, Beyer, Masli, and Stefaniak, (2014), study of the association between characteristics of audit committee accounting experts, audit committee chairs, and financial reporting timeliness found that the audit committee with a high proportion of accounting and financial expertise is related to timely audit reports.

Sultana, Singh, and Van der Zahn (2015) analysed audit committee characteristics and audit report gag and Baatwah, Salleh, and Ahmad, (2015) investigated corporate governance mechanisms and audit report timeliness in Oman (2015) further found that the audit committees which have financial expertise led to reduce audit report lag. In Jordan, Aljaaidi, Bagulaïdah, Ismail and Fadzil (2015) found that, frequent audit committee meetings results to reduced delay in audit report

MATERIALS AND METHODS
This section of the paper presents the method and the procedures adopted in carrying out the research. It includes the research design, the population and sample of the study, the method of data collection, the model specification and data analysis technique. They are discussed as follows:

Research Design and Method of Data Collection
This study adopted the panel research design. It is a design that consists of cross sectional and time series data. Secondary data was the major source of data collection and were derived from the published annual reports of the sampled companies.

Population and Sample of the Study
The population of this study consists of consumer goods companies listed on the Nigerian Stock Exchange for the period 2013 to 2017. The sample size consists of thirteen (13) companies obtained from Taro Yamane formula. The choice of listed companies was based on the availability of data.

Operationalisation Measures of Variables
Asika (2008) stated that measurement is viewed as the integrative process of determining the integrity of information about constructs, concepts or objectives of interests and their relationships to a defined business problem or opportunity. Therefore, the variables in this study are made up of the dependent (endogenous) variable, independent (exogenous) variables and control variables.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Variable</th>
<th>Definition</th>
<th>Type</th>
<th>Measurement</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>S1.</td>
<td>ARL</td>
<td>Audit Report Lag</td>
<td>Dependent</td>
<td>The number of days between the end of</td>
<td>Mohamad-Nor, Shafie and Wan-Hussin (2010); Salleh, Battwah and</td>
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<tr>
<th></th>
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<th>company’s year and audit report date</th>
<th>Ahmad (2017); Ghafran and Yasmin (2018); Raweh, Kamardin and Malik (2019).</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>ACS</td>
<td>Audit Committee Size</td>
<td>Independent</td>
<td>Number of audit committee members</td>
</tr>
<tr>
<td>3.</td>
<td>ACI</td>
<td>Audit Committee Independence</td>
<td>Independent</td>
<td>The proportion of independent audit committee directors</td>
</tr>
<tr>
<td>4.</td>
<td>ACX</td>
<td>Audit Committee Financial Expertise</td>
<td>Independent</td>
<td>The proportion of directors who qualify as accounting or financial experts in the audit committee.</td>
</tr>
<tr>
<td>5.</td>
<td>ACM</td>
<td>Audit Committee Meeting</td>
<td>Independent</td>
<td>The number of audit committee meeting held annually</td>
</tr>
<tr>
<td>6.</td>
<td>BOS</td>
<td>Board Size</td>
<td>Control</td>
<td>Number of directors on the board</td>
</tr>
<tr>
<td>7.</td>
<td>LEV</td>
<td>Leverage</td>
<td>Control</td>
<td>Ratio of the total debt to total assets</td>
</tr>
</tbody>
</table>

Source: Several Prior Studies

Model Specification and Data Analysis
Model specification is the determination of the endogenous and exogenous variables to be included in the model as well as the a priori expectation about the sign and the size of the parameters of the function (Gujarati and Porter, 2009). Therefore, the ordinary least square was adopted for the purpose of hypotheses testing. The ordinary least square was guided by the following model:

\[ FRL = \beta_0 + \beta_1 ACS_{i,t} + \beta_2 ACI_{i,t} + \beta_3 ACX_{i,t} + \beta_4 ACM_{i,t} + \beta_5 BOS_{i,t} + \beta_6 LEV_{i,t} + \varepsilon \] \hspace{1cm} (1)
Where I represent every firm and t every year and the priori expectation: $\beta_1-\beta_6>0$

Econometric view (Eview) was applied in the analysis of data. Eviews reports p values which can be used as an alternative approach in assessing the significance of regression coefficients. The p value shows what is the smallest level at which we would be able to accept the null hypotheses of a test. We used a 5% level of significance; hence we conclude that the coefficient is significantly different from zero at the 5% level if the p-values is less than or equal to 0.05. If it is greater than 0.05 then we cannot reject the null hypothesis that the coefficient is actually zero at our 5% significance level.

RESULTS AND DISCUSSION
This section of the paper presents the results and discussion obtained from the audited annual reports of sampled companies for audit committee attributes and audit report lag of listed consumer goods firms in Nigeria.

Parsimonious ARDL Results
Dependent Variable: FRL
Method: ARDL
Included observations: 61 after adjustments
Maximum dependent lags: 4 (Automatic selection)
Model selection method: Akaike info criterion (AIC)
Dynamic regressors (4 lags, automatic): ACS ACI ACX ACM BOS LEV
Fixed regressors: C
Number of models evaluated: 62500
Selected Model: ARDL(4, 0, 0, 0, 0, 0, 2)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.*</th>
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<tr>
<td>ACS</td>
<td>0.65854</td>
<td>0.42541</td>
<td>1.549579</td>
<td>0.5820</td>
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<tr>
<td>ACI</td>
<td>-0.51451</td>
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<td>ACX</td>
<td>0.85371</td>
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<td>0.0119</td>
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<td>ACM</td>
<td>0.13524</td>
<td>0.66956</td>
<td>0.196843</td>
<td>0.9043</td>
</tr>
<tr>
<td>BOS</td>
<td>-0.68754</td>
<td>0.38107</td>
<td>-1.807779</td>
<td>0.3871</td>
</tr>
<tr>
<td>LEV</td>
<td>0.19454</td>
<td>0.08997</td>
<td>2.428899</td>
<td>0.0001</td>
</tr>
<tr>
<td>C</td>
<td>9.94580</td>
<td>82.07368</td>
<td>0.121181</td>
<td>0.9041</td>
</tr>
</tbody>
</table>

R-squared | 0.702293 | Mean dependent var | 94.31148
Adjusted R-squared | 0.627866 | S.D. dependent var | 62.69291
S.E. of regression | 38.24442 | Akaike info criterion | 10.31243
Sum squared resid | 70206.50 | Schwarz criterion | 10.76229
Log likelihood | -301.5291 | Hannan-Quinn criter. | 10.48873
F-statistic | 9.436025 | Durbin-Watson stat | 1.740355
Prob(F-statistic) | 0.000000 |

Source: Author’s Computation using E-views
The preferred Autoregressive Distributed Lag (ARDL) model results reveals that: a positive relationship exists between audit committee size, audit committee expertise, audit committee meetings, leverage and audit report lag, a negative relationship between audit committee independence, board size and audit report lag. In specific term: a unit increase in audit committee size will lead to 0.65854 units increase in audit report Lag, a unit increase in audit committee expertise will lead to an increase in audit report lag by 0.94371, and a unit increase in lev will lead
to 0.19454 increase in audit report lag. A unit increase in audit committee independence will lead to a fall in audit report lag by 0.5145 and a unit increase in Board Size will lead to a fall in audit report lag by 0.78754. The adjusted R² of 0.627866 shows that the model is a good fit, as approximately 63 percent of the variations in the dependent variable is explained by the independent variable. The F-statistic value of 9.436025 and a probability value of 0.0000 reveal that the entire model is statistically significant. The Durbin-Watson statistic of 1.7 which is above the benchmark of 1.5 shows a tolerable level of autocorrelation, this indicates that the model can be relied upon for policy decision making.

Discussion of Findings
The Autoregressive Distributed Lag (ARDL) model results reveal a positive relationship exists between audit committee size and audit report lag. The result is consistent with the study of Emeh and Appah (2013), Raweh, Kamardin and Malik (2019) that audit committee size is significantly related to financial reports lags. It is argued that an increase in audit committee size can result in lack of active participation by some directors, which in turn impairs cohesion in decision-making, and undermining the controlling and monitoring functions (Hillman & Dalziel, 2003). Bédard and Gendron (2010) noted that audit committee with a small size has a diversity of expertise and can ensure the appropriate monitoring.

The Autoregressive Distributed Lag (ARDL) model results reveal a positive relationship exists between audit committee expertise and audit report lag. This result is in agreement with the study of Abernathy et al. (2014) that found that the audit committee with a high proportion of accounting and financial expertise is related to timely audit reports. Sultana et al. (2015) and Baatwah et al. (2015a) further noted that the audit committees which have financial expertise led to reduce audit report lag. However, Mohamad-Nor et al., (2010; Wan-Hussin & Bamahros, (2013). Empirical evidence is in disagreement with this prediction and reveals that audit report lag is not significantly associated with audit committee financial expertise.

The Autoregressive Distributed Lag (ARDL) model results reveal a positive relationship exists between audit meeting and audit report lag. This result is consistent with the study of Aljaaidi, Bagulaidah, Ismail and Fadzil (2015) that stated that frequent audit committee meetings results to reduced delay in audit report. While Baatwah et al., (2015); Sultana et al., (2015; Salleh et al., (2017) studies found no association between audit committee meetings and audit report lag.

The Autoregressive Distributed Lag (ARDL) model results reveal negative relationship between audit committee independence and audit report lag. The result is consistent with the study of Emeh & Appah (2013), Handayani and Yustikasain (2017) that audit committee independence is not significantly associated with financial report lags. Salleh et al. (2017) found that, audit committee financial expertise is not related to reducing audit report lag, while they did further examination if the board of director has a majority of independent directors, they revealed that audit committee financial expertise and independence significantly strengthen the timeliness of audit report. Some previous studies had found significant and negative association between audit committee independence and audit report lag (Wan-Hussin & Bamahros, 2013; Sultana et al., 2015). On the other hand, studies from Mohamad-Nor et al. (2010), Apadore and Noor (2013) and Baatwah et al. (2015) found an insignificant relationship between audit committee independent directors and audit report lag.

SUMMARY, CONCLUSION AND RECOMMENDATIONS
The study empirically investigated audit committee attributes and audit report lag of listed consumer goods firm in Nigeria. The review of relevant literature revealed that audit committee attributes of audit size, audit independence, audit expertise and audit meeting affects audit report lag. The empirical analysis provided that audit committee size does not have any significant influence on audit report lag of listed companies in Nigeria; Audit committee independence has significant influence on financial reporting lag of listed companies in Nigeria; Audit committee expertise has significant influence on financial reporting lag of listed companies in Nigeria and Audit committee meetings does not have any significant influence on financial reporting lag of listed companies in Nigeria. The results further shows that audit committee independence and expertise have significant influence on financial reporting lag, that is to say the content of the committee in terms of expert knowledge and how independence the audit committee are significant factors influencing financial reporting lags, the findings of this study conforms with those of Sadiq Oshoke Akhor and Emmanuel Osahon Oseghale, (2017) and Modugu, Eragbhe and Ikhatua (2012). Therefore on the basis of the empirical results, the paper concludes that audit committee size and meetings does not have significant influence on audit report lag of listed companies in Nigeria; also Audit committee independence and expertise does have significant influence on report report lag of listed companies in Nigeria. Therefore, the paper recommends that members of audit committee should be people with some level of knowledge and experience in financial management and accounting to understand the accounting and monitoring role of the committee; and government through relevant agencies should sanction erring corporation that fails to adhere to best practice in corporate governance structure in the area of audit committee.

REFERENCES


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APPENDIX

**Number of Consumer Goods Sector of Listed Firms in Nigeria**

<table>
<thead>
<tr>
<th>S/No</th>
<th>Name of Company</th>
</tr>
</thead>
</table>

IIARD – International Institute of Academic Research and Development
<table>
<thead>
<tr>
<th>Rank</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Champion Breweries Plc</td>
</tr>
<tr>
<td>2.</td>
<td>Golden Guinea Breweries Plc</td>
</tr>
<tr>
<td>3.</td>
<td>Guinness Nigeria Plc</td>
</tr>
<tr>
<td>4.</td>
<td>International Breweries Plc</td>
</tr>
<tr>
<td>5.</td>
<td>Nigerian Breweries Plc</td>
</tr>
<tr>
<td>6.</td>
<td>Dangote Flour Mills Plc</td>
</tr>
<tr>
<td>7.</td>
<td>Dangote Sugar Refinery Plc</td>
</tr>
<tr>
<td>8.</td>
<td>Flour Mills Nigeria Plc</td>
</tr>
<tr>
<td>9.</td>
<td>Honeywell Flour Mills Plc</td>
</tr>
<tr>
<td>10.</td>
<td>Multi-Trex Integrated Foods Plc</td>
</tr>
<tr>
<td>11.</td>
<td>N. Nigeria Flour Mills Plc</td>
</tr>
<tr>
<td>12.</td>
<td>Nascon Allied Industries Plc</td>
</tr>
<tr>
<td>13.</td>
<td>Union Dicon Salt Plc</td>
</tr>
<tr>
<td>14.</td>
<td>Cadbury Nigeria Plc</td>
</tr>
<tr>
<td>15.</td>
<td>Nestle Nigeria Plc</td>
</tr>
<tr>
<td>16.</td>
<td>Nigerian Enamelware Plc</td>
</tr>
<tr>
<td>17.</td>
<td>Vitaform Nigeria Plc</td>
</tr>
<tr>
<td>18.</td>
<td>P Z Cussons Nigeria Plc</td>
</tr>
<tr>
<td>19.</td>
<td>Unilever Nigeria Plc</td>
</tr>
</tbody>
</table>

**Source:** Nigerian Stock Exchange