EFFECT OF AUDIT COMMITTEE ATTRIBUTES ON TIMELINESS OF FINANCIAL REPORTING OF DEPOSIT MONEY BANKS IN NIGERIA

Hamisu Suleiman Kargi

Abstract

The timing of reporting is an attribute of financial reporting quality, which determines the relevance of its information. Any delay in releasing the financial reports may signal to the stakeholders that the information content may have been compromised and the company is not in good health. This study examines the impact of audit committee attributes on timeliness of financial reporting of Deposit Money Banks (DMBs) in Nigeria. The audit committee attributes examined are size, meeting and gender. The study employs secondary data extracted from the audited financial reports of 11 banks listed on the Nigerian Stock Exchange (NSE) that have their annual financial reports available over the period 2012 to 2017. The study uses random effect panel regression result for the analysis. The analysis revealed that audit committee size and audit committee meeting have a significant impact on timeliness of financial reporting with audit committee size having positive impact while audit committee-meeting negative. Audit committee gender is however not significant and negatively related to timeliness of financial reporting. Based on the findings of the study, is recommended that DMBs in Nigeria should increase size of their audit committee members for ensuring the presence of adequate number of experts to enhance the timeliness of financial reporting, while the number of audit committee meeting should reduce for avoiding unnecessary adjournment as this may delay the release of financial reports. In addition, women in the audit committee should be trained to be more focused on the task of corporate governance to ensure timeliness of financial reporting.

Keywords: Audit committee attributes, Timeliness financial reporting, Corporate governance, Agency theory, Deposit money banks (DMBs)

Introduction

Financial information is vital to investors and other users of the information as it is a major basis for their decisions. Financial report is the only source through which the market can understand how the management has utilized the resources entrusted to them. It is believed that quality financial report enhances the efficiency of capital market as effective trading on the market is determined by the information content of financial reports. Stakeholders are communicated through the financial reports to know how they affect or are

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affected by the firm’s activities. The reliance of these users on the financial report has made it imperative for firms to ensure timeliness of information released.

The timing of reporting is an attribute of financial reporting quality which determines the relevance of the information in the report (Oshodin & Ikhatua 2018). Financial report delayed will not be relevant for economic decisions. This is because the information content of such report would be compromised, as its capacity to influence decisions declines. According to Khasharmeh and Aljifri (2010), the shorter the delay of financial information, the more useful it is for the users. In ensuring that various users of the reports find the report useful, management of every firm needs to ensure that the financial reports are made available in a timely manner.

Any delay in releasing the financial reports may signal to stakeholders that the company is not in good health as every user has different perceptions about the firm’s status. This is because, a firm with good news will be eager and motivated to release its financial reports on time. Hence the release will have effect on its value, and the reverse will be the case when a firm reported bad news (Afify, 2009). Whether good or bad, financial information has to be released on time so that users can have a basis for their decisions. Timely release of the report will make it easy for every user to assess the information and this will reduce information asymmetry that exists between corporate entities and their stakeholders in emerging markets and as well reduces insider trading (Ohaka & Akani, 2017).

In Nigeria, it has been imperative for listed firms to ensure timely release of financial information because of the exposure of Nigerian business environment to international capital markets and the adoption of International Financial Reporting Standards - IFRS (Akhor & Oseghale, 2017). In order to ensure timely release of financial reports, Securities and Exchange Commission (SEC) gives provision as to when listed firms are required to release audited financial reports to stakeholders and submit such reports to the commission. According to section 27 of the Investment and Security Act 2007, all listed firms on the Nigeria Stock Exchange (NSE) are to submit their audited financial reports to SEC within ninety (90) days after their financial year-end. In spite of this provision, many firms do not comply. Rather they submit their audited financial reports longer than the period specified by the commission (Modugu, Eragbe & Ikhatua, 2012). Nigerian firms, most especially Deposit Money Banks (DMBs) face many challenges in filing their audited annual financial reports with the regulator, and this has been an issue of concern to the shareholders of the firms. SEC has fined most of the banks hugely because of their non-compliance to submission deadline sets by the regulator. In 2016, out of the 15 DMBs in Nigeria, only six submitted their audited financial reports within the deadline sets by the commission. Moreover, in 2017 financial year only five DMBs in Nigeria submitted their audited financial reports within the stipulated period while the remaining 10 submitted their reports after the deadline (NSE, 2017).
Timely release of financial reports is an important aspect of good corporate governance. Delay in releasing the financial reports can be mitigated by implementing good corporate governance through the establishment of an audit committee (Alshrife, Subekti, & Widya, 2016). Audit committee has a significant role in ensuring quality financial reporting and reducing delay in the reporting, and this will help in increasing public confidence in the reports (Alshrife et al., 2016). The attributes or characteristics of audit committee such as size, their independence, and the expertise of members, the frequency of meetings, gender among others determine its efficiency. Any attempt to improve on these characteristics will lead to improved audit process and reduced financial reporting delay (Yadirichukwu & Ebimobowei, 2013).

Prior studies have examined the relationship between audit committee characteristics and timeliness of financial reporting but the results of their findings are inconsistent (Sulaiman, 2017). Some of these studies are Emeh and Ebimobowei (2013), Chinedu, Ifeoma and Theresa (2016), Ahmed and Che-ahmad (2016), Akhor and Oseghale (2017), etc. However, some of them were conducted in other economies and those conducted in Nigeria were conducted in different sector and before the adoption of the International Financial Reporting Standards (IFRSs) which made their findings to lack generalisation in contemporary situation.

Therefore, this study examine the impact of audit committee attributes on timeliness of financial reporting of DMBs in Nigeria for the period 2012-2017. It hypothesized that audit committee attributes do not have significant impact on the timeliness of financial reporting of DMBs in Nigeria. The outcome of the study is expected to be of benefit to policy makers or regulators to enable them know which attributes of audit committee can improve the time taken by DMBs in Nigeria to release their audited financial reports.

**Empirical Review**

Timeliness of financial reporting is said to be the period of time taken by a firm to present its audited financial reports before its shareholders at the Annual General Meeting (AGM) after the closing date of the financial year end of such firm (Azubike & Aggreh 2014). The International Accounting Standard Board (2008) perceives timeliness of financial reporting as the process of ensuring that the financial information is made available to interested parties (users) in a timely manner to influence their decision-making. Users in order to assess the performance of the firm in the previous year and make decisions on that basis depend upon financial information. According to Puasa, Md Salleh and Azlina (2014), financial reporting timeliness is the process of making the financial information reaching the users of such information on time so as to provide them with useful and relevant information for making their decisions. McGee and Yuan (2012) viewed timeliness of financial reporting as the period between a company’s year-end and the date that the financial report was released for public
assessment. Chambers and Penman (1984) views timeliness of financial reporting as the reporting interval from the financial year-end to the period the financial reports are released. According to him, a report is considered timely when it is released before the date it is required to be released, and considered late if it is released after that date. In view of the above, the SEC requires every listed firm to submit their audited financial reports 90 days after their financial year-end. SEC further pronounces that any firm that submits its audited financial reports four weeks before the required time is said to be timely and the firm that submit after then is said to be late in submission.

Timeliness is one of the qualitative characteristics of financial reporting which determines the relevance of the information in such reports (Ohaka & Akani, 2017). For financial reports to be regarded as a quality one, such report has to be released in time so that the benefits of such reports can be derived. To ensure timeliness corporate governance monitor and control preparation and release of financial report through its audit committee mechanism. Audit committee attributes are fundamentals to the effectiveness of corporate governance in enhancing the timeliness of financial reporting. Audit committee attributes or characteristics are those features possessed by an audit committee possesses.

Puasa, Md Salleh, and Ahmad (2014) examined audit committee and timeliness of financial reporting among Malaysian public listed companies for 2005-2011. They proxied audit committee attributes by audit committee independence, audit committee size, audit committee financial expertise, audit committee activity and audit committee composition. The regression analysis used in this study is panel least square analysis; and the result of the analysis showed that before the Malaysian Code of Corporate Governance (MCOCG), audit committee size has an insignificant relationship on timeliness of financial reporting. However, a negatively significant relationship was found between audit committee size and timeliness of financial reporting after the MCOGC.

Ahmed and Taktak (2016) examined audit committee effectiveness and financial reporting timeliness. The study used panel data methodology and this was applied to 54 firms listed on the Tunis stock exchange for the period 2011-2013. Data were gathered using questionnaire and annual reports of the sampled firms. The independent variable was proxied by board independence, audit committee financial expertise, audit committee size and audit committee meeting, while financial reporting timeliness was proxied by audit delay. The result of the analysis showed that audit committee size has a positive and insignificant relationship with financial reporting timeliness. However, the study is a foreign study.

Zaitul and Ilona (2018) investigated gender in audit committee and financial reporting timeliness: the case of unique continental European model. This study employs panel data analysis for 370 observations of 185 Indonesian listed companies in the 2014-2015 periods. Audit committee financial expertise, audit committee activities, audit committee independence, audit committee size,
company age, company size, company leverage, and company profitability were all used as control variables. However, period examined in this study is small.

Ahmed & Che-ahmad (2016) examined effects of corporate governance characteristics on audit report lags. The independent variable was proxied by board size, audit committee size, risk committee size, board meeting, board committees, board expertise and board committee gender. The data of listed Nigerian banks were collected for the period of five years, ranging from 2008 to 2012. The population of this study comprised of 14 banks that are listed on Nigerian Stock Exchange as at December 31, 2012. The study employed panel data technique to analyse the relationship between corporate governance and audit report lag. Result of the analysis showed that audit committee size was negatively insignificant to audit report lag. The period covered is old, as many events have taken place after the period covered in this study. For instance, the adoption of International Financial Reporting Standards (IFRSs)

Mohamad-Nor, Rohami and Wan-Hussin (2010) studied corporate governance and audit report lag in Malaysia. The study used attributes of board of directors and audit committee as its independent variable, whereby it proxied these variables by audit committee size, audit committee independence, audit committee meeting, audit committee expertise, board size, board independence and CEO duality. Multivariate analysis was used on 628 annual reports for the year 2002. The result revealed that audit committee size is negatively significant to audit report lag. However, the study is cross sectional.

Emeh and Ebimobowei (2013) investigated audit committee and timeliness of financial reports in Nigeria. The independent variable was proxied using audit committee independence, audit committee, audit committee and audit committee size. The population of the study consisted of 118 firms listed on the Nigerian Stock Exchange (NSE). Simple random sampling technique was used to arrive at 35 sample size used for the study. The data for this study were collected from the annual reports and accounts. The data of 35 firms listed on the Nigerian Stock Exchange (NSE) for the period 2007-2011 were analysed using pooled least square. Result of the analysis showed that audit committee size is not significantly related to timeliness of financial reporting. The time lag of this study is old.

Akhor and Oseghale (2017) examined audit committee attributes and financial reporting lag in Nigeria banking sector. Audit committee was proxied by audit committee independence, audit committee meetings and audit committee gender, while timeliness of financial reporting was proxied by financial report lag. This study employed a longitudinal research design in which data were extracted from the annual reports of listed banks in Nigeria for the periods 2011 to 2015. The sample size of nine banks for this study was selected using simple random sampling technique. Descriptive statistic, ordinary least square regression and Ramsey Reset test were employed for analysing the data. It was found that audit committee meeting has no significant relationship with financial reporting.
lag. However, Ordinary Least Square (OLS) regression was used to analyse panel data, and this will disregard the time character of the data.

Shukeri and Islam (2012) studied determinants of audit report timeliness. This study was conducted using the Malaysian audit market as a scope. The independent variables used are audit committee size, audit committee qualifications, audit committee meetings and board independence. The study sample size was made up of 491 Malaysian listed companies. Regression analysis was employed on the sampled firms for 2011 to examine the audit report timeliness determinants. The results of the analysis revealed that audit committee meeting has an effect on audit timeliness. However, the study is cross sectional.

Gabriel (2012) investigated the impact of audit committee attributes on financial reporting quality and timeliness of Banks in Nigeria. Judgmental sampling technique was used to select 11 banks as sample out of the 22 total population as at 31st December 2010. The results revealed that audit committee meeting has a positive relationship between financial reporting quality and timeliness. This means that the more meeting held by the banks, the timelier it will be for their financial reports to be released.

Chinedu et al., (2016) researched on audit committee effectiveness and timeliness of the financial reporting in Nigeria. The independent variable used in this study was proxied by audit committee, audit committee independence and audit committee financial expertise while audit committee gender was used as a control variable. Data were extracted from the audited annual reports of nine listed pharmaceutical firms between 2011-2015. The study employed ex post factor and longitudinal research designs. The study employed multiple regressions analysis to analyse the data; and it was showed that there is a positive relationship between audit committee gender and timeliness of financial reporting.

Ohiokha and Idialu (2017) conducted a comparative study on determinants of audit delay. The analysis was based on Nigeria and Malaysia for the period 2008-2014. The independent variables examined in the study were women on audit committee, audit type, audit firm type and firm financial performance. Population of this study consisted of all the companies listed on the Nigerian Stock Exchange (189) and the 800 listed firms in Bursa Malaysia as at 31st December, 2014. A sample of 66 companies was selected for the study using the convenience sampling technique. Panel data analysis was used to analyse the data. It was found that women’s presence in audit committee plays a role in reducing audit delay in the case of Nigeria but increases audit report lag in the Malaysia case. The study was a cross sectional analysis, in that it pooled together data for all listed firms. However, each firm has its own regulations peculiar to it.

Zaitul and Ilona (2018) investigated gender in audit committee and financial reporting timeliness of continental European model. The study revealed that women in the audit committee can reduce the amount of time spent on deliberating, understanding and assessing accounting policies and unusual transactions with the auditor, therefore, this will help reduce the time required to complete the audit and improve the financial reporting timeliness. This study
employed panel data analysis on 185 Indonesian listed companies from the period 2014-2015. The study showed that women on the audit committee are still debatable concerning their role in improving the timeliness of financial reporting.

**Theoretical Framework**

There are a number of theoretical perspectives, which are used in explaining the relationship between audit committee characteristics and timeliness of financial reporting. However, the agency theory is used to underpin the current study. Agency relationship exists where a party (the principal) employs another party (the agent) to act on his behalf. The agency theory observe that conflict of interest that may arise between the principal and the agent because of ownership and control separation. Because of the separation of ownership from control the interest of the principal needs to be protected. According to Efobi and Okougbo (2015), the principals (owners) need timely financial reports so that they can monitor, control and motivate the agents; however, the agents (management) have full control over the flow of information.

The argument of this theory is that agents may have their own motives, which may contradict the goal of shareholders wealth maximization. In order to monitor the interest of these agents (management), the principals need to establish a control and reporting process to consistently watch over the performance of their agents to ensure that their interest is in line with that of their principals (owners). This action gives rise to agency cost as monitoring is always associated with the cost borne by the owners. To reduce these costs, the owners will provide for a control through corporate governance mechanism (audit committee) with a view to reducing the opportunistic behaviour of management. This study is therefore based on the framework that audit committee attributes or characteristics can influence the timely release of financial report by the management. This is depicted in figure 1 below.

**Figure 1**

Audit Committee Size  
Audit Committee Meeting  
Audit Committee Gender  
 TIMELINESS OF FINANCIAL REPORTING

**Methodology**

The study employed correlational research design and is considered most appropriate for this study because it allows for examining the expected relationship between and among variables and for making predictions regarding these relationships. The design is informed by the research paradigm, which is the
positivism approach. The population of the study comprised of all the fifteen DMBs on the Nigeria stock exchange (NSE) as at 31st December, 2017. 11 banks were drawn from the population as sample base on the following criteria:

i. The firm must be listed on the NSE a year before 2012.
ii. Firm must not be delisted during the period of study (2012 -2017).
iii. Availability of data in the annual financial reports of the firms for the period under study (2012-2017).

Data for the study are secondary in nature and were obtained from the annual reports and accounts of sampled firms. Panel multiple regression analysis was employed based on the fact that the study involves the use of both time series and cross sectional data. The independent variables considered are audit committee size (ACSZ), audit committee meeting (ACMEET), and audit committee gender (ACGEN), while the dependent variable is timeliness of financial reporting (TFR).

**Model Specification**

The model of the study is specified presented as:

\[ TFR_{it} = \beta_0 + \beta_1 \text{ACSZ}_{it} + \beta_2 \text{ACGEN}_{it} + \beta_3 \text{ACMEET}_{it} + e_i \]

Where:

- TFR = Timeliness of financial Reporting
- ACSZ = Audit Committee Size
- ACGEN = Audit Committee Gender
- ACMEET = Audit Committee Meeting
- \( \beta_0 = \) Intercept \( \beta_1, \beta_2 \text{ and } \beta_3 = \) the coefficients of the Variables.
- \( e = \) Error Term.

**Variables Measurement**

The variables of the study are measured as follows:

<table>
<thead>
<tr>
<th>Variables</th>
<th>Proxies</th>
<th>Variable Type</th>
<th>Measurements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timeliness of financial reporting</td>
<td>TFR</td>
<td>Dependent</td>
<td>The timeliness of financial reports is measured as the number of days from the financial year end to the date external auditor signed the reports (Iyoha 2012)</td>
</tr>
<tr>
<td>Audit Committee Size</td>
<td>ACSZ</td>
<td>Independent</td>
<td>The audit committee size is measured as the total number of directors sitting on the audit committee (Ahmed &amp; Taktak 2016)</td>
</tr>
<tr>
<td>Audit Committee Meeting</td>
<td>ACMEET</td>
<td>Independent</td>
<td>Audit committee meeting is measured as the meeting frequency of the audit committee members (Ismail et al., 2012)</td>
</tr>
<tr>
<td>Audit Committee Gender</td>
<td>ACGEN</td>
<td>Independent</td>
<td>Audit committee gender is measured as the proportion of women on the committee to the total number of audit committee members (Chinedu et al., 2016)</td>
</tr>
</tbody>
</table>
Data Presentation and Discussion

Descriptive statistics of data used for the study are presented in table 1 below.

**Table 1: Summary of Descriptive Statistics**

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>MEAN</th>
<th>Std. Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>TFR</td>
<td>89.87879</td>
<td>20.81820</td>
<td>34</td>
<td>133</td>
</tr>
<tr>
<td>ACSZ</td>
<td>4.742424</td>
<td>0.7905326</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>ACGEN</td>
<td>0.1766377</td>
<td>0.11267</td>
<td>0</td>
<td>0.5</td>
</tr>
<tr>
<td>ACMEET</td>
<td>4.121212</td>
<td>0.9529735</td>
<td>1</td>
<td>6</td>
</tr>
</tbody>
</table>

**Source:** STATA 2013

Table 1 presents the descriptive statistics of the variables. From the table the mean of TFR for the sampled firms is approximately 90 days with a maximum and minimum of 133 and 34 days respectively. This implies that on average, DMBs in Nigeria took 90 days to make their financial reports available to the users. The standard deviation of TFR is 20.8, which implies there is a high deviation of the data from the mean. From table 1, the mean of ACSZ has an average of approximately 5 with a maximum and minimum of 6 and 4 directors respectively on the audit committee. ACMEET has an average of approximately 4, with the maximum and minimum of 6 and 1 respectively. This indicates that on average, the audit committee members held 5 meetings during the year. Moreover, ACGEN has the mean value of 0.1766377, with maximum and minimum values of 0.5 and 0 respectively, with a standard deviation of 0.11267. This implies that from the sampled firms, there is a firm that had no female director on its audit committee, while the firm with the highest female directors on its audit committee had 50 percent of its directors to be female.

**Table 2: Correlation matrix**

<table>
<thead>
<tr>
<th></th>
<th>TFR</th>
<th>ACSZ</th>
<th>ACGEN</th>
<th>ACMEET</th>
</tr>
</thead>
<tbody>
<tr>
<td>TFR</td>
<td>1.0000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACSZ</td>
<td>0.0112</td>
<td>1.0000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACGEN</td>
<td>-0.0249</td>
<td>-0.1322</td>
<td>1.0000</td>
<td></td>
</tr>
<tr>
<td>ACMEET</td>
<td>-0.1101</td>
<td>-0.1417</td>
<td>0.1979</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

**Source:** STATA 13

From the correlation matrix in table 2, ACGEN and ACMEET are negatively related with ARL of DMBs in Nigeria. The implication is that both ACGEN and ACMEET move in the opposite direction with the TFR. On the other hand, ACSZ has a positive correlation with TFR, which means that ACSZ moves in the same direction with TFR. Moreover, ACGEN and ACMEET are negatively correlated with ACSZ. However, a positive relationship exists between ACMEET and ACGEN.
Table 3: Multicollinearity test

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>VIF</th>
<th>I/VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACSZ</td>
<td>3.52</td>
<td>0.284318</td>
</tr>
<tr>
<td>ACGEN</td>
<td>1.29</td>
<td>0.776291</td>
</tr>
<tr>
<td>ACMEET</td>
<td>3.43</td>
<td>0.291209</td>
</tr>
</tbody>
</table>

Source: STATA 13

Multicollinearity test was conducted to check that the explanatory variables among themselves are not correlated, as this will affect the result of the study. In table 3, variance inflation factor (VIF) was conducted and the values for all the variables are less than 10 and the tolerance values for all the variables are greater 0.10 (rule of thumb). This shows there is no multicollinearity problem.

Table 4: Residual tests

<table>
<thead>
<tr>
<th>Tests</th>
<th>Chi2-values</th>
<th>p-values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breusch &amp; Pagan test of Heteroskedasticity (hettest)</td>
<td>0.13</td>
<td>0.7154</td>
</tr>
<tr>
<td>Breusch &amp; Pagan test for random effect (xttest)</td>
<td>10.85</td>
<td>0.0005</td>
</tr>
<tr>
<td>Hausman Test</td>
<td>4.68</td>
<td>0.1531</td>
</tr>
</tbody>
</table>

Source: STATA 13

Breusch and Pagan Lagrangian multiplier test was conducted to check for heteroskedasticity, and the result in table 4 showed that chi2 is 0.13 and the prob>chi2 is 0.7154. This showed the absence of heteroskedasticity. This means that the error across the residuals is homogeneously. The present study ran hausman specification test to show the preferred model between the fixed and random models (appendix 1), and the result (table 4) showed a chi2 value of 4.68 with a p-value of 0.1531 that is statistically insignificant and as such, the random effects model is considered as the most appropriate estimator over the fixed effects model.

In order to determine whether to interpret the pool OLS or random effect model, Breusch and Pagan Langragian multiplier test was conducted and the result revealed a chi of 10.85 and the P-value of 0.0005 that is significant at 1% (table 4). This implies that the random effect should be used. 
The result from the random effect regression result is presented in table 5 below.

Table 5: Regression Results

<table>
<thead>
<tr>
<th>Variables</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>Z-value</th>
<th>P&gt;(Z)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACSZ</td>
<td>0.4046513</td>
<td>0.0630776</td>
<td>6.42</td>
<td>0.000</td>
</tr>
<tr>
<td>ACGEN</td>
<td>-0.0292959</td>
<td>0.0526196</td>
<td>-0.56</td>
<td>0.578</td>
</tr>
<tr>
<td>ACMEET</td>
<td>-0.8772264</td>
<td>0.0961704</td>
<td>-8.57</td>
<td>0.000</td>
</tr>
<tr>
<td>Constant</td>
<td>-27.7332</td>
<td>4.798781</td>
<td>-4.84</td>
<td>0.000</td>
</tr>
</tbody>
</table>

R Squared: 0.5599
f-Statistics: 102.64
Prob.: 0.0000

Source: Output from STATA 2013
From table 5 above, it can be seen that $R^2$ is 0.5599, which implies that 55.99% of variation in TFR of DMBs in Nigeria was explained by the explanatory variables combined in the model. The f-statistics is 102.64, which is significant at 1%. This implies that the model is fit. From table 5, the coefficient of ACSZ is 0.4046513, which shows that ACSZ is positively related with TFR. It can be inferred that the relationship between ACSZ and TFR of DMBs in Nigeria is positive. This means that an increase in audit committee members by 40% will improve the timeliness of the DMBs in Nigeria in releasing their financial reports. An audit committee with a large number of directors is expected to reduce the delay in releasing the financial reports. This is because a large audit committee will possess directors with different talent and this will make it possible for the audit work to be done in a timely manner, and this will reduce the work of the external auditor. Moreover, the relationship between ACSZ and TFR is statistically significant (at 1%). This findings is in line with that of Mohamad-Nor et al., (2010) who found that ACSZ significant relationship with timeliness of financial reporting, but contradicts the studies of Ahmed and Taktak (2016) and Puasa et al., (2014) who found that ACSZ does not have a significant relationship with timeliness of financial reporting.

From the result in table 5, the coefficient of ACGEN is -0.0292959, which shows that ACGEN is negatively related with TFR. This implies that an increase in the number of female director on audit committee will lead to a delay in releasing the financial reporting of DMBs in Nigeria. The relationship between ACGEN and TFR of DMBs in Nigeria is negative, therefore, ACGEN has an inverse relationship with TFR. This negative relationship suggests that adding female director to the audit committee is detrimental to the release of the financial report. This is because women have some home duties to perform as this will reduce their effectiveness on the financial reporting process, which will have effect on the release of the financial reports. However, the relationship between ACGEN and timeliness of financial reporting is statistically insignificant. This result is consistent with the finding of Akhor & Oseghale (2017) who found an insignificant relationship between ACGEN and TFR, but contradicts Ohiokha and Idialu (2017) who found a significant relationship between the variables.

From table 5, the coefficient of ACMEET is -0.8772264, which shows that ACMEET is negatively related with TFR. This implies that audit committee members meetings reduce the timeliness of financial reporting. This might arise as a result of delay and adjournment of meetings to discuss and deliberate issues that could affect the financial reporting process, and this also will delays the work of the external auditor in timely release of financial report. However, the relationship between ACMEET and TFR is statistically significant at 1%. This implies that any increase in the number of meeting held by the audit committee will also decrease the timeliness of financial reporting. The result is consistent with Puasa et al. (2014) who recorded a significant relationship between ACMEET and TFR, but contradict the findings of Emeh and Ebimobowei (2013);
Ahmed and Taktak (2016) who found an insignificant relationship between ACMEET and TFR.

**Conclusion and Recommendations**

The study investigated the effect of audit committee attributes on timeliness of financial reporting of DMBs in Nigeria, 11 out of the 15 DMBS were used due to data availability. Data used for the analysis were extracted from the audited financial report of the Banks. The independent variable used in the study was measured by audit committee size, audit committee gender and audit committee gender, while timeliness of financial reporting was measured by audit report lag. Data were analyzed using multiple regression.

In conclusion, the study fails to accept the hypothesis that audit committee attributes do not have significant impact on the timeliness of financial reporting of DMBs in Nigeria as result analysis revealed that audit committee size and audit committee meeting have a significant relationship with timeliness of financial reporting with audit committee size having positive impact while audit committee meeting negative impact. Audit committee gender is however not significant and negatively related to timeliness of financial reporting.

Based on the results of the analysis, the study recommends that DMBs in Nigeria should increase size of their audit committee members by ensuring the presence of adequate number of experts to enhance the timeliness of financial reporting of DMBs in Nigeria. The management of DMBs should make sure that the number of audit committee meeting is reduced by avoiding unnecessary adjournment as this delay the release of financial reports. In addition, women in the audit committee should be trained to be more focused on the task of corporate governance to ensure timeliness of financial reporting.
References


Emeh, Y., & Ebimobowei, A. (2013). Audit Committee And Timeliness Of


Effect of Audit Committee Attributes on Timeliness of Financial Reporting of Deposit Money Banks in Nigeria


Appendix I

. regress tfr acsz acgen acmeet
    Source |       SS       df       MS              Number of obs =      66
-------------+-----------------------------------------------------------
        Model | 114.229678     3  38.0765594           Prob > F      =  0.0000
    Residual |  77.9942245    62  1.52929852           R-squared     =  0.5943
-------------+-----------------------------------------------------------
         Total |  192.223903    65  3.5597019           Root MSE      =  1.2366
-------------+-----------------------------------------------------------

    tfr |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------
    acsz |  .4747229   .0720635     6.59   0.000     .3300493    .6193965
    acgen | -1.351128    .0515827   -2.62   0.012    -.2386695   -.0615561
    acmeet | -1.607198    .1128841   -8.51   0.000    -.1873448    -.0215926
   _cons | -32.50739   5.430562    -5.99   0.000   -43.40970   -21.60508
-------------+----------------------------------------

. vif
    Variable |       VIF   1/VIF
-------------+----------------------
    acsz |      3.52    0.284318
    acmeet |      3.43    0.291209
    acgen |      1.29    0.776291
-------------+----------------------
    Mean VIF |      2.75

. estat hettest
Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
    Ho: Constant variance
    Variables: fitted values of tfr
    chi2(1)      =     0.13
    Prob > chi2  =   0.7154
.
. estat ovtest
Ramsey RESET test using powers of the fitted values of tfr
    Ho: model has no omitted variables
    F(3, 48)      =     1.44
    Prob > F      =   0.6807
.
. xtreg tfr acsz acgen acmeet, fe
Fixed-effects (within) regression
    Number of obs      =        66
    Group variable: id                              Number of groups   =        11
    R-sq: within = 0.7200                           Obs per group: min =          6
    between = 0.1505                               avg =     6.0
    overall = 0.5083                               max =       6
Effect of Audit Committee Attributes on Timeliness of Financial Reporting of Deposit Money Banks in Nigeria

F(3,62) = 35.14
Prob > F = 0.0000

corr(u_i, Xb) = -0.1214

| tfr | Coef. | Std. Err. | t | P>|t| | 95% Conf. Interval |
|-----|-------|-----------|---|------|------------------|
| acsz | .3583823 | .0659506 | 5.43 | 0.000 | .2251925 .4915722 |
| acgen | .0337249 | .0573935 | 0.59 | 0.560 | -.0821837 .1496334 |
| acmeet | -.8379404 | .0978322 | -8.57 | 0.000 | -1.035517 - .6403642 |
| _cons | -24.4369 | 5.048057 | -4.84 | 0.000 | -34.63166 -14.24214 |

sigma_u = 1.0963189
sigma_e = .92805538
rho = .58254849 (fraction of variance due to u_i)

F test that all u_i=0: F(10, 55) = 4.96 Prob > F = 0.0001

. estimates store fe
. xtreg tfr acsz acgen acmeet, re

Random-effects GLS regression
Number of obs = 66
Group variable: id
Number of groups = 11
R-sq: within = 0.7115 Obs per group: min = 6
between = 0.2720 avg = 6.0
overall = 0.5599 max = 6
Wald chi2(3) = 102.64

corr(u_i, X) = 0 (assumed)
Prob > chi2 = 0.0000

| tfr | Coef. | Std. Err. | z | P>|z| | 95% Conf. Interval |
|-----|-------|-----------|---|------|------------------|
| acsz | .4046513 | .0630776 | 6.42 | 0.000 | .2810215 .5282811 |
| acgen | -.0292959 | .0526196 | -.56 | 0.578 | -.1324284 .0738365 |
| acmeet | -.8772264 | .0961704 | -9.12 | 0.000 | -1.065717 - .6887359 |
| _cons | -27.7332 | 4.798781 | -5.78 | 0.000 | -37.13864 -18.32777 |

sigma_u = .80899491
sigma_e = .92805538
rho = .43177875 (fraction of variance due to u_i)

. estimates store re
. hausman fe
Test: Ho: difference in coefficients not systematic

\[
\chi^2(3) = (b-B)'[(V_b-V_B)^{-1}](b-B) = 4.68
\]

Prob>\chi^2 = 0.1531

(V_b-V_B is not positive definite)

.xttest0
Breusch and Pagan Lagrangian multiplier test for random effects
tfr[id,t] = Xb + u[id] + e[id,t]
Estimated results:

<table>
<thead>
<tr>
<th>Var</th>
<th>sd = sqrt(Var)</th>
</tr>
</thead>
<tbody>
<tr>
<td>tfr</td>
<td>3.559702</td>
</tr>
<tr>
<td>e</td>
<td>.8612868</td>
</tr>
<tr>
<td>u</td>
<td>.6544728</td>
</tr>
</tbody>
</table>

Test: Var(u) = 0

chibar2(01) = 10.85
Prob > chibar2 = 0.0005