

Moderating Effect of Board Size on Audit Committee Attributes and Financial Reporting Quality of Listed Consumer Goods Companies in Nigeria

Micah, Ezekiel Elton Mike, Ph.D.¹ & Muhammed, Yaro Isa²

¹Department of Accounting, Faculty of Management Sciences, Federal University, Lokoja, Kogi State, Nigeria.

² Department of Accounting, Faculty of Management Sciences, Federal University, Lokoja, Kogi State, Nigeria.

Email: Mike.micah@fulokoja.edu.ng¹

ABSTRACT

This study examines the moderating effect of board size on audit committee attributes and financial reporting quality of listed consumer goods companies in Nigeria. Drawing on agency theory, it explores how the size of a corporate board conditions the strength and direction of audit committee attributes and their eventual effectiveness on financial reporting quality. The study adopted an ex post facto research design and utilized panel data of one hundred and fifty (150) pooled observations gathered from a population of nineteen (19) listed consumer goods companies in Nigeria out of which fifteen (15) companies were purposively sampled for the study after utilizing a filter criterion over a ten (10) year period (2016-2025). The study used secondary data extracted from the published annual reports and accounts for the period under study and employed a panel multiple regression technique to analyze the data via the Stata 17 statistical package. The study findings revealed amongst others that board size has an insignificant and negative moderating effect on the relationship between audit committee size and audit committee independence on financial reporting quality. The study concludes that the effectiveness of audit committees does not operate in isolation but is influenced by the broader board structure through synergy with an effective audit committee that produces high-quality financial reporting. The study recommended, amongst others, the need for companies to periodically review large boards to ascertain their effectiveness; the inclusion of more independent and non-executive directors on boards and audit committees to ensure independence in financial reporting quality.

Keywords: *Audit committee attributes, Board characteristics, Financial reporting quality, Audit committee size, Audit committee independence*

1. Introduction

The credibility and transparency of financial reporting in the consumer goods sector in Nigeria remains a foundational pillar of efficient capital markets. Investors, creditors, regulators, and other stakeholders in the sector rely extensively on financial statements to make informed decisions, allocate capital, and evaluate managerial performance. Financial reporting quality can be broadly understood as the degree to which reported financial information faithfully represents the economic reality of a firm, free from material misstatement, bias, or manipulation. When financial reporting quality deteriorates, the consequences are far-reaching as it results to an increasingly capital misallocation, erosion of investor confidence, and a multiplier systemic risk to the broader financial ecosystem. Although management chooses appropriate accounting practices that serve as the basis for financial statement preparation, prior reviews have shown that these practices are frequently subjective rather than objective in their recognition, measurement, presentation, and disclosure of monetary and non-monetary values to certain items of income, expenses, assets, liabilities, and equity in the financial statements (Salma & Ramadan, 2022). There has been a continual argument on the significance of auditors to satisfy the true and fair view of the financial statements and reports. The argument is based on the collapse of companies declared fit and solvent by auditors before their sudden downfall.

Globally, the collapse of high-profile corporations such as Enron, WorldCom, Parmalat, and Wirecard, underscored the shocking consequences of financial reporting failures because of poor audit practices. In Nigeria, the failure of City Express Bank Ltd., Oceanic Bank, Intercontinental Bank, and Heritage Bank, which had their licenses revoked by the Central Bank of Nigeria (CBN) seem to be connected to fraudulent activities. Also, Tower Aluminium, GlaxoSmithKline Nigeria, Evans Medicals, and Techno Flex Co. Ltd. To mention a few collapsed due to auditors' negligence (Obafemi, et al., 2026). Since the early 2010s, the credibility and reliability of financial reports have been increasingly questioned and integrity of the financial reports is now doubtful by the investors, which has necessitated the idea of setting up audit committees by the stakeholders.

The World's financial problems, therefore, put the financial regulators to come out with stringent regulations to address these problems through standards and mechanisms of corporate governance. The audit committee is one of those mechanisms introduced by regulators to ensure reliable and high-quality financial reporting (Obafemi, et al., 2026). Oniwinde (2010) posits that the reported cases of poor and fraudulent financial reporting and governance experienced in Nigeria demonstrated varied roles the audit committee has to play either directly or indirectly as they are charged with overseeing financial reporting. Traditionally, the primary role of audit committee has been to monitor the integrity of the financial statements produced by management. In recent times, this major role has been expanded beyond the annual financial statements to encompass the quarterly financial reports. Owing to this, audit committees are becoming more involved in the oversight of corporate reporting matters as contrasted with financial reporting (Ali, 2022). The audit committee serves as a critical monitoring mechanism within the corporate governance architecture (Buallay & Al-Ajmi, 2019).

Board size as one of the structural attributes of corporate governance means the total number of directors sitting on the corporate board. The question of how board size interacts with the effectiveness of specific board sub-committees particularly the audit committee and its consequent influence of financial reporting quality is the cruse of this study. This study addresses this gap by investigating the moderating effect of board size on the relationship between audit committee attributes and financial reporting quality of listed consumer goods companies from the period 2016 to 2025. By examining two key audit committee attributes such as audit committee size and audit committee independence and their interactions with board size and how it affects the quality of financial reporting, the study seeks to provide innovative and relevant insights into corporate conditions under which audit committee governance mechanisms are most effective. The consumer goods sector in the Nigerian economy contributes to the economic growth of the nation, it contributes to the generation of employment, and foreign exchange earnings and generates revenue for the development of the country. Hence a need to guarantee sustainable stakeholders' interest in the investment in that sector. One of the ways to assure investors is by upholding the culture of good financial reporting quality as communicated annually through the financial statements and accounts (Okeke, 2024).

The main objective of the study is to determine the moderating effect of board size on audit committee attributes and financial reporting quality of listed consumer goods companies. The specific objectives are as follows:

- i. To investigate the effect between audit committee size and financial reporting quality of listed consumer goods companies.
- ii. To evaluate the effect between audit committee independence and financial reporting quality of listed consumer goods companies.
- iii. To explore the moderating effect of board size on the relationship between audit committee size and financial reporting quality of listed consumer goods companies.

- iv. To assess the moderating effect of board size on the relationship between audit committee independence and financial reporting quality of listed consumer goods companies.

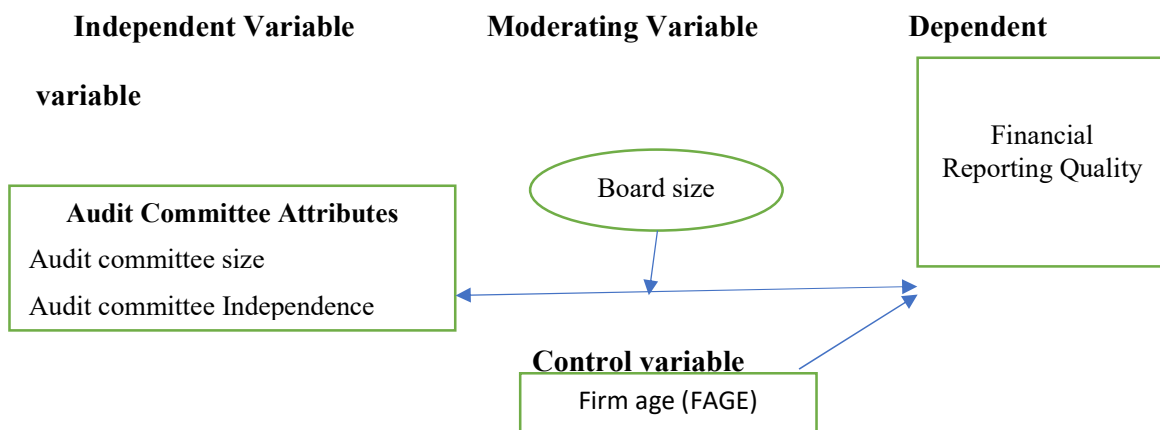
The following null hypotheses are formulated for the study’s objectives and it is set in null forms and were tested:

- H₀₁:** Audit committee size has no significant effect on financial reporting quality of listed consumer goods companies.
- H₀₂:** Audit committee independence has no significant effect on financial reporting quality of listed consumer goods companies.
- H₀₃:** Board size has no moderating effect on audit committee size and financial reporting quality of listed consumer goods companies.
- H₀₄:** Board size has no moderating effect on audit committee independence and financial reporting quality of listed consumer goods companies.

2. LITERATURE REVIEW

2.1 Conceptual Framework

Figure 1: The framework of the study



2.1.1 The Concept of Financial reporting quality

The standard of financial reporting, according to Jonas and Blaurchet (2000) is a precise and comprehensible information that is not meant to mislead consumers. This definition is, nevertheless, one that is usually recognized. According to Idris (2021), financial reporting quality refers to the financial information which reveals appropriate, consistent, comparable and complete information. Adeleke (2021) opined that financial reporting quality involves the ability of financial statements to provide information that is fair, appropriate and reliable about the financial position and performance of a company which will not misinform the intended users. Kariuki and Oluoch (2020) defined financial reporting quality as the availability of all relevant financial information of a company that may influence an investment decision. Financial reporting quality is a fundamental aspect of governance that ensures the accuracy, transparency, and reliability of financial information companies present to users of the information. Financial reporting quality incorporates various attributes such as verifiability,

comparability, relevance, faithful representation, and timeliness, which collectively make sure there are no substantial inconsistencies in the financial statements, whether as a result of fraud or mistake (DeFond & Zhang, 2016). Thus, in this study, financial reporting quality is measured using Discretionary Accrual (DACC).

2.1.2 Audit Committee Attributes

Oyedokun et al. (2020) defined audit committee as a special body of experts that regulates and protects the interests of investors in the stock market, corporate owners, managers, staff, vendors, and creditors. Adeleke (2021) states that audit committee is one of the components of corporate governance mechanism and a subsist of board of directors saddled with responsibility by ensuring quality reporting through performing oversight functions of the activities of management and external auditors. Wahhab and Al-Shammari (2021) postulate that audit committee involves composition of members who are chosen by the board of directors to be responsible for maintaining the independent view of the auditors, ensuring that the organization establishes a thorough audit management process and effective internal controls which indicates that the main responsibility of the audit committee is to examine financial report with the aim of improving on audit and financial reporting quality.

Audit Committee Size

Audit committee size refers to the number of members that make up an audit committee. The audit committee is a sub-group of the board of directors that oversees the financial reporting process, internal controls, and risk management of an organization. Audit committee size refer also to the numerical strength of the committee tasked with overseeing financial reporting and disclosure processes. Larger audit committees were found to provide better monitoring, though diminishing returns occur beyond an optimal size. Lin and Hwang (2023) posit that audit committee size reflects the total count of independent and expert members ensuring robust oversight of financial disclosures. Shah and Malik (2022) defined audit committee size as the headcount of individuals on the committee, often representing diversity in expertise and independence.

Audit Committee Independence

Independence refers to the proportion of audit committee members who are non-executive, non-affiliated directors with no material relationship with the company that could compromise their objectivity. Audit committee independence refers to the degree to which the members of an audit committee are free from relationships or interests that could impair their ability to act objectively and in the best interests of the organization and its stakeholders. According to Haddad et al., (2021), every audit committee member is called independent, who has no personal or financial connection with the firm or executive managers. Some conditions in the reporting environment can make it difficult to assess the quality of information by users directly.

2.1.4. Board Size as a Moderating Variable

Board size refers to the total number of directors on a firm's board of directors. It encompasses executive directors (inside directors), non-executive directors (outside directors), and any other formally appointed board members. Board size is one of the most studied structural attributes of corporate governance, reflecting the notion that the size of the governing body fundamentally shapes its capacity to perform its monitoring and advisory functions. The UK Corporate Governance Code recommends boards of appropriate size, while the Cadbury Report (1992) famously suggested that boards with fewer than eight members are more effective. Jensen (1993) argued that boards beyond seven or eight members become inefficient, a threshold supported by empirical evidence from Yermack (1996) and Eisenberg, et al., (1998). From a governance perspective, board size carries dual implications which are that a larger board may enhance resource acquisition, broader networks, more diverse expertise, greater legitimacy with

external stakeholders, but at the cost of coordination efficiency, decisiveness, and accountability.

2.2 Theoretical Review

Agency theory, first formally developed by Jensen and Meckling (1976), provides the foundational theoretical basis for understanding the relationships among shareholders, managers, and governance mechanisms in the modern corporation. The theory posits that a principal-agent relationship is characterized by information asymmetry and divergent interests such that shareholders (principals) delegate decision-making authority to managers (agents) who may pursue their own interests at the expense of shareholders' welfare. This fundamental conflict gives rise to agency costs such as monitoring costs, bonding costs, and residual loss, which shareholders seek to minimize through various governance mechanisms. By overseeing financial reporting, internal controls, and the audit process, the audit committee reduces information asymmetry, constrains managerial opportunism, and aligns managerial incentives with shareholder interests (Agbede et al., 2025). The current study looks at the effect of board attributes on the quality of financial reporting; hence the relevance of the agency theory can be linked to the need for an all-round board that would be capable of supervising the activities of the management and ensuring good quality in the reportage of financial activities. In relation to the research objectives, this study adopts the agency theory as it focuses on board size's moderating effect on audit committee attributes and financial reporting quality relationship.

2.3 Empirical Review

2.3.1 Audit Committee Size and Financial Reporting Quality

Jinadu et al. (2025) explored how audit committee attributes influence the quality of audit in Nigerian listed manufacturing companies. The study focused on the effects of committee independence, financial expertise, meeting frequency, and size. Using a descriptive research design, the study analysed secondary data from 2014 to 2023, sourced from company reports and websites. Panel data techniques, using pooled OLS, fixed effects, and random effects models, were used for analysis. The results showed that audit committee independence and size had a significant positive impact on audit quality, while financial expertise and meeting frequency had a positive but insignificant effect. The study concluded that overall, the findings highlight the crucial role of audit committee features in ensuring high-quality audits that satisfy stakeholder expectations. The study recommends that companies should enhance committee members' financial knowledge through training to improve audit oversight.

Muhammed et al. (2024), study examined the effects of audit committees' attributes on the quality of financial reporting of listed consumer goods firms in Nigeria. The data for the study was obtained from the annual reports of the sample of sixteen consumer goods firms listed for the period 2009 to 2022. The data was analyzed using fixed effect regression analysis after conducting the Hausman test and the Breusch-Pagan test. The study found that audit committees independence (ACI), audit committees' size (ACS), and shareholders involvement in the committees (SIAC) have a considerable tendency to enhance the standard of published financial information of Nigerian consumer goods businesses that are listed. The study concluded that the audit committee affects the quality of the financial statements of listed consumer goods companies in Nigeria. To maintain an effective oversight function and foster a positive environment for the legally required audit that promotes a reliable and unbiased perspective of the financial information. The study recommends that the governing board of executives guarantee the nomination of appropriate audit committee members who have adequate financial skills, including shareholders.

Boro and Newstyle (2024) examined the relationship between audit committee characteristics and financial reporting quality of listed deposit money banks in Nigeria. The study focused on the size of audit committee and independence of audit committee and both were used as

measures. The targeted population of this study consists of fourteen (14) listed deposit money banks in the Nigerian Exchange Group (NGX) and the time frame for their study was the period from 2013-2022. The sample size of the study consists of seven (7) selected deposit money banks on the basis of purposive sampling technique adoption. A total of two hundred and fifty-seven (247) respondents were sampled for the purpose of primary data of which two hundred and twenty-five (225) were returned. The study employed the Pearson's Product Moment Correlation Coefficient in data analysis. Both the descriptive statistics (frequencies, percentages, means and standard deviations) and inferential statistics (correlation) were used to analyse the data collected. The study's findings showed that firm size has moderating influence over the relationship between audit committee characteristics and financial reporting quality. The study concluded that audit committee characteristics has insignificant and negative relationship with financial reporting quality of listed deposit money banks in Nigeria. The study recommends that size of audit committee should be managed to ensure that deliberations do not lead to untimely release of financial reports amongst others.

Esitime et al. (2024) examined the effect of audit committee effectiveness on financial reporting quality within the context of listed non-financial firms in Sub-Saharan Africa. Drawing samples from 235 listed non-financial firms in Nigeria, South Africa, and Kenya spanning the period from 2013 to 2022, the study employed Generalized Method of Moments (GMM) step and Stepwise Regression Techniques to analyse the data. The findings revealed that audit committee size and financial expertise exhibited insignificant effects on financial reporting quality, while audit committee diligence has a positive and significant effect on financial reporting quality. The findings also reveal that board independence as a moderator enhanced the impact of audit committee diligence on financial reporting. The study recommends amongst others promotion of active audit committee oversight through regular meetings, fostering collaboration among audit committees and boards.

2.2.2 Audit Committee Independence and Financial Reporting Quality

Jonah et al. (2025) ascertained the effect of audit committee attributes on financial reporting quality of deposit money banks listed on the floor of the Nigeria Exchange Group for the period 2014 to 2023. The independent variable, audit committee attributes, was proxied by audit committee financial expertise, audit committee gender; while the dependent variable was proxied by earnings management. *Ex post facto* research design was adopted and secondary data were employed. The population of the study consisted of 13 listed deposit money banks and purposive sampling technique was employed to select 11 deposit money banks. The study employed robust regression technique was employed in analysing the data and the statistical package employed was STATA 14. Findings indicated that audit committee independence has a significant negative effect on Eckel's income smoothing index of listed deposit money banks in Nigeria; audit committee financial expertise has a significant positive effect on the Eckel's income smoothing index of the sampled deposit money bank; audit committee gender diversity has no significant effect on Eckel's income smoothing index of listed deposit money banks in Nigeria; The study concluded that audit committee attributes have significant effect on financial reporting quality of listed deposit money banks in Nigeria. The study recommends among others that regulatory bodies should ensure that independent audit committee members with significant industrial experience and sound financial background form the majority of members of the audit committees as this could help tremendously in detecting earnings management and thus enhance financial reporting quality.

Peekate and Okagbulem (2025) investigated audit committee characteristics and quality financial reporting of listed consumer's goods manufacturing companies in Nigeria. The study adopted the ex-post facto research design with extensive reliance on secondary data generated from the annual reports of companies for the period 2011-2020. The population of the study consisted of 15 listed consumer's goods manufacturing companies in the Nigerian Stock

Exchange (NSE). The Eviews 9.0 statistical software was used to analyse the data. The findings indicate that audit committee independence was positively and insignificantly related to timeliness, negatively and insignificantly related to faithful representation; there was a negative and statistically insignificant relationship between audit committee size and timeliness; there was a positive and statistically insignificant relationship between audit committee expertise and timeliness and faithful representation. The study concludes that there is a relationship between the dimensions of audit committee characteristics and quality financial reporting of quoted listed consumer's goods manufacturing companies in the Nigerian Stock Exchange (NSE). The study recommends amongst others that size of the audit committee is not a factor in checkmating managers' opportunistic attitude. Increasing their number on the committee is just an addendum to the firm's administrative expenditure instead of curbing real activity manipulation which affects the firm's cashflow from operation.

Abdullahi (2024) studied the influence of audit committee independence on the quality of financial reporting in Nigerian commercial banks. The main objective of the study was to investigate the influence of audit committee independence on the quality of financial reporting in Nigerian commercial banks. The study applied ex post facto research design and secondary data were extracted from the annual audited financial statement of banks. Utilizing panel data covering a ten-year period (2013-2022), the study employed panel regression analysis to explore whether independent audit committees enhanced transparency and accuracy in reporting. The findings revealed a negative significant relationship, indicating that independence alone does not guarantee effective oversight. The study concluded that independence without the necessary expertise and proactive engagement might lead to passive participation, failing to add substantial value to financial disclosures. The study recommended the need for a complementary mix of independence and competence in audit committees.

2.3.5 Board Size and Financial reporting quality

The direct relationship between board size and financial reporting quality has received considerable empirical attention. Peasnell et al. (2005) found that larger boards are associated with higher levels of income-increasing accruals management, suggesting that larger boards were fewer effective monitors. Xie et al. (2003) similarly found that board size is positively related to discretionary accruals. Yermack (1996) provided seminal evidence that firm value, proxied by Tobin's Q, is inversely related to board size in a large sample of US firms, attributing this to the reduced monitoring effectiveness of larger boards. This valuation discount for large boards has been replicated in multiple contexts including the UK and Norway (Eisenberg et al. 1998), and various emerging economies. However, some studies report a curvilinear relationship. Coles et al. (2008) found that complex, diversified firms benefit from larger boards due to their greater advisory needs, suggesting that the optimal board size varies with firm characteristics. Boone et al. (2007) reported that board size increases with firm size and complexity, reflecting the greater advisory demands of larger firms.

Gaps in Literature

From the reviewed selected previous studies which have largely reported discordant findings on audit committee attributes and financial reporting quality different sectors of various countries' economies have been studied with no specific study devoted to utilizing board size as a moderating variable on the consumer goods sector despite recorded failures and falsification of annual financial statements in the sector like in Nigeria; hence the need to also provide empirical evidence for this sector. Also, in the previous studies, audit committee gender has not been utilised as a variable and was not considered which the present study included in the modified Jones Model adapted for this study.

3. RESEARCH METHODOLOGY

3.1. Research Design and Sample

This study adopts ex-post facto research design to examine the relationships as well as the moderating effect of board size on audit committee attributes and financial reporting quality of consumer goods companies listed on the Nigerian Exchange Group (NGX). This design was chosen because of its effectiveness in assessing the relationships and the effects of two or more variables (that is, the dependent and independent variables). Since audit committee attributes and financial reporting quality are corporate governance mechanism and market outcomes already established in firms' financial records, it would be impractical and unethical to manipulate them experimentally. Moreover, the design relied on existing company's data that could not be manipulated, allowing for objective analysis through statistical inference. The population of this study consists of Nineteen (19) consumer goods firms listed on the Nigerian Exchange Group (NXG) during the time period from 2016 to 2025. The companies are listed below (see attached appendix). This study employs a purposive sampling technique.

To ensure data quality and consistency, only firms with complete and accessible information on audit committee attributes and financial reporting quality variables for the ten-year period were considered. To arrive at the sample size, a filter criterion was applied in company's selection which includes that companies must have been listed throughout the study period (2016–2025) to ensure a balanced panel, and also companies must have complete annual report data for all governance and financial variables. Therefore, a total of fifteen (15) sampled companies were selected for the sample. The secondary data collected for the dependent and independent variables for the study were derived from published annual proxy statements to shareholders, annual reports and accounts of the listed consumer goods companies, and also from the Nigerian Exchange Group (NGX) for a ten (10) year period from 2016 to 2025. The method of data collection for the study employed the use of documents which contains financial statements (statements of financial position and income statements) whereas audit committee attributes data were extracted from the director's report of the sampled consumer goods firms for the period covered by the study (2016-2025) respectively. This method is cheap, readily available and saves time (Nwonyuku, 2016).

3.2 Variable definitions and Measurements

Table 1: Variable Measurements and Sources

Variable	Type	Measurement	Sources
Financial Reporting quality (FRQL)	Dependent variable	Discretionary Accruals (DACC).	Dechow et al., (1995)
Audit Committee Size (AUDSZ)	Independent variable	Total number of members on audit committee	Jinadu et al. (2025); Ekaruwe (2024)
Audit Committee Independence (AUDIND)	Independent variable	Proportion of independent directors on audit committee	Jonah et al. (2025); Abdullahi (2024)
Board size (BSE)	Moderating variable	Natural logarithm of the total number of directors on the corporate board at the end of the financial year	Peasnell et al. (2005); Xie et al. (2003)
Firm age (FAGE)	Control variable	measured as the date of listing on the Nigerian Stock Exchange (NSE) to the date under study.	Bathula (2008)

Source: Researchers' compilation, 2026

3.3 Model Specification

The model for this study incorporates a moderating variable, according to Baron and Kenny (1986), this is done by including an interaction effect in the model and checking if such an interaction has a significant effect and helps explain the variation in the response variable better than before. Therefore, the moderating variable, Board size (BSE) was added to examine audit committee size and financial reporting quality in the listed consumer goods companies in Nigeria. Thus, financial reporting quality is measured using Discretionary Accruals (DACC). The study adopted and modified the model by (Kantudu and Alhassan, 2022; Ayinla et al., 2022) who cited Dechow *et al.*, (1995) and who confirmed their observation on the original Jones model which according to them was unable to capture the impact of sales-based manipulation because accounts receivables should not be considered as non-discretionary accruals. This model incorporates the dependent variable, Financial Reporting Quality (FRQL) and the control variable to evaluate the effect of audit committee attributes on financial reporting quality (FRQL).

$$FRQL_{it} = \beta_0 + \beta_1 AUDSZ_{it} + \beta_2 AUDIND_{it} + \beta_3 FAGE_{it} + \varepsilon_{it} \dots \dots \dots (1)$$

This model introduces the moderator, board size (BSE) and includes interaction terms to assess board size (BSE) moderating the relationship between audit committee attributes and financial reporting quality (FRQL).

$$FRQL_{it} = \beta_0 + \beta_1 AUDSZ_{it} + \beta_2 AUDIND_{it} + \beta_3 BSE_{it} * AUDSZ_{it} + \beta_4 BSE_{it} * AUDIND_{it} + \beta_5 FAGE_{it} + \varepsilon_{it} \dots \dots \dots (2)$$

Where:

Dependent Variable Model

Dechow et al (1995) proposed a modification to the original Jones model known as the 1995 Modified Jones model. Based on the Modified Jones model (1995), the non-discretionary accruals (NDA) of the event period for the firm in time phase is calculated using: The dependent variable (FRQL) as it was stated above is measured with discretionary accrual model (DACC) where the formula is as follow;

$$DACC = \left[\left(\frac{TACC_{it}}{TA_{it-1}} \right) - NDAC_{it} \right] \dots \dots \dots (1)$$

$$TACC_{it} = \Delta CA_{it} - \Delta CL_{it} - \Delta CASH_{it} + \Delta STDEBT_{it} - DEP_{it} \dots \dots \dots (2)$$

Where:

- ΔCA = Change in current assets
- $\Delta CASH$ = Change in cash and cash equivalent
- ΔCL = Change in current liabilities
- $\Delta STDEBT$ = Change in short term debts
- TA_{it-1} = Lagged value of total assets

Then the following model is used to estimate the non-discretionary accruals (NDAC): The model has been widely used in literatures (Fera & Salzillo, 2021) in the form:

$$\frac{TACC_{it}}{TA_{it-1}} = \beta_0 + \left(\frac{1}{TA_{it-1}} \right) + \beta_1 \left(\frac{\Delta REV_{it} - \Delta REC_{it}}{TA_{it-1}} \right) + \beta_2 \left(\frac{PPE}{TA_{it-1}} \right) + \varepsilon_{it} \dots \dots \dots (3)$$

Where:

- TA_{it-1} = Lagged value of total assets
- TA_t = total accruals in year t (net income minus operating cash flow)
- ΔREV_t = Change in annual revenue of firm in year t from period t-1
- ΔREC_t = Change in receivables of firm in year t from period t-1
- PPE_t = gross property, plant, and equipment at year t

Independent Variables (Audit Committee Attributes)

AUDSZ = Audit Committee Size

AUDIND = Audit Committee Independence

Moderating Variable

BSE = Board Size

Control Variables

FAGE = Firm Age

i = Company

t = Time

β = the constant term, and $\beta_1 \dots \beta_5$ are the coefficients to be estimated.

ϵ = is the error term.

4. RESULTS AND DISCUSSION

4.1 Descriptive Statistics

Table 2 below shows the descriptive statistics of the model which summarises the mean, the standard deviation, the minimum and maximum of the variables across the 150 firm-year observations.

Table 2: Descriptive Statistics for Audit Committee Attributes

Variable	Obs.	Mean	Std. Dev	Min	Max
FRQL	150	-.099	.382	-.984	1.091
AUDSZ	150	5.543	.719	4	7
AUDIND	150	.446	.0816	.2	.7
BSE	150	9.826	2.299	4	17
FAGE	150	36.033	14.184	7	60

Source: compilation from Stata 17, 2026

The result in table 2 provided insight into the nature of the components of audit committee attributes (predictor variable) and financial reporting quality (criterion variable) of the study. It also shows the estimation of absolute value for Discretionary Accruals (DACC) using the Modified Jones Model (Dechow et al., 1995) and reported based on absolute values. The minimum value of Discretionary accrual is approximately -.099 and the maximum is 1.091, while the mean value is -.099 and the standard deviation is .382. The discretionary accruals mean is strongly negative, this often represents aggressive income-decreasing choices by management or income smoothing, and the extent to which managers engage in opportunistic earnings management among listed companies on the Nigerian Exchange Group (NGX). The standard deviation measures how spread out the data points are from the mean as it shows a moderate amount of variation among the firms or periods under study. The minimum value is very close to the mean, meaning a large portion of data clusters near this lower end and the maximum value is well above the mean. The relatively small standard deviation suggests limited dispersion around the mean. However, the maximum value is positive while the minimum is negative, showing that FRQL varies across firms or observations and may contain some notable spread despite the low standard deviation. The measures of the variables, audit committee size (AUDSZ), audit committee independence (AUDIND), board size (BSE) and firm age (FAGE) recorded an average value of AUDSZ=5.545, AUDIND=0.466, BSE=9.826 and FAGE= 36.033 respectively. Some variables recorded standard deviations lower than their respective means, AUDIND =.0816, BSE =2.2989 and FAGE = 14.1835, meaning that these variables recorded a slow increase within the period under study. A variable recorded a standard deviation higher than its respective mean and this shows the variable recorded high increase within the period under study as seen for financial reporting quality measured as DACC. Board size (BSE) shows a mean of about 9.826, suggesting that the average board size is

approximately 10 members and the standard deviation of 2.2989 indicates moderate variation across observations while the range from 4 to 17 suggests considerable diversity in board size among the sampled firms. Similarly, the minimum values are 4 and 0.2, while their maximum values are 7, and 0.7 for each of audit committee size, audit committee independence respectively. The mean value of the control variable, firm age is 36.033 while the minimum and maximum values are 7 and 60 respectively.

4.2.2 Correlation Analysis

Table 3 presents the Pearson correlation matrix for all study variables which reveals the strength of the relationship among them.

Table 3: Correlation Analysis

	FRQL	AUDSZ	AUDIND	BSE	FAGE
FRQL	1.0000				
AUDSZ	-0.2333** 0.0041	1.0000			
AUDIND	-0.0941 0.2519	0.3281** 0.0000	1.0000		
BSE	-0.0244 0.7672	0.1736** 0.0337	0.1394 0.0890	1.0000	
FAGE	0.2442** 0.0026	0.0774 0.3464	0.0294 0.7211	0.2852** 0.004	1.0000

Source: compilation from Stata 17, 2026 *Note: *** p < 0.01; ** p < 0.05; * p < 0.10*

Table 3 above reveals the correlation between financial reporting quality (FRQL), audit committee size (AUDSZ), audit committee independence (AUDIND), board size (BSE) and firm age (FAGE), and that at 0.05 level of significance financial reporting quality (FRQL) is significant and negatively correlated with audit committee size (AUDSZ), while it is negatively correlated to audit committee independence (AUDIND) and board size (BSE). The result shows that financial reporting quality (FRQL) is significant and positively correlated with firm age (FAGE). Table 3, of particular interest shows the relationship existing between each pair of the independent variables. As highlighted, no pair of the independent variables have correlation coefficient greater than 0.80 suggesting the absence of multicollinearity issues in the series. Multicollinearity could only be a problem if the pair-wise correlation coefficient among regressors is above 0.80. It can also be seen that most cross-correlation terms for the independent and control variables are fairly small, thus, giving little cause for concern about the problem of multicollinearity among the independent variables.

4.2.3 Variance Inflation Factor (VIF)

Table 4 below presents the result of collinearity test using variance inflation factor which test the presence of multicollinearity if the Variance Inflation Factor (VIF) is higher than 10.

Table 4: Variance Inflation Factor (VIF)

Variable	VIF	1/VIF
AUDSZ	1.14	0.874603
AUDIND	1.13	0.884924
BSE	1.13	0.888142
FAGE	1.09	0.9717420
Mean VIF	1.12	

Source: compilation from Stata 17, 2026

Table 4 above shows the Variance inflation factor (VIF) as a measure used to detect the presence of multicollinearity in a regression model. Multicollinearity occurs when two or more independent variables in the model are highly correlated, leading to unreliable and unstable estimates of regression coefficients. The VIF values for the variables audit committee size (AUDSZ), audit committee independence (AUDIND), board size (BSE) and firm age (FAGE) are all very low. The tolerance values (1/VIF) are all close to 1, further supporting the conclusion that multicollinearity is not a concern in this dataset.

4.2.4 Test for Heteroskedasticity

Table 5 below shows the Hetttest test for stability of the residual variance in the model. A heteroskedasticity test was carried out as a diagnostic check to verify the robustness of the estimates. The Breusch–Pagan/Cook – Weisberg test was used to check for the presence of unobserved Random Effects in the panel data.

Table 5: Test for Heteroskedasticity

Breusch-Pagan/Cook-Weisberg test for heteroskedasticity	
Assumption:	Normal error terms
Variable:	Fitted values of FRQL
H0:	Constant variance
	Chi2(1) = 0.14
	Prob > chi2 = 0.7041

Source: compilation from Stata 17, 2026

From the result in Table 5 above with a probability value of 0.7041 which is greater than 0.05, the study therefore accepts the alternate hypothesis, while the null hypothesis is rejected. In summary, Since the results of the test showed a probability value of greater than 0.05, it means there was no problem with heteroskedasticity, hence the two tests (Fixed Effect and Random Effect) were carried out.

4.2.5 Test for Normality

Table 6 below presents the results of the Shapiro-Wilk data normality test which determines whether a data set is symmetrically (normal) with p-values higher than 0.05, or asymmetrically (abnormal) distributed with p-value lower than 0.05 around the central expected mean.

Table 6: Shapiro-Wilk test for normal data.

Variable	Obs.	W	V	Z	Prob>Z
FRQL	150	0.99247	0.876	-0.301	0.61828
AUDSZ	150	0.99215	0.914	-0.205	0.58115
AUDIND	150	0.98543	1.696	1.197	0.11556
BSE	150	0.99011	1.151	0.318	0.37518
FAGE	150	0.90482	11.075	5.452	0.00000

Source: compilation from Stata 17, 2026

To test the normality of the variables, Shapiro–Wilk test was used as it has the highest power among all tests for normality. The hypothesis was tested at a critical value at 0.05, where the rule is that reject H0 if the probability (P) value is less than 0.05 or else do not reject. From the results above, financial reporting quality (FRQL) with a p value of 0.61828, audit committee size with p value of 0.58115, audit committee independence (AUDIND) with p value of 0.11556 and board size (BSE) with p value of 0.37518 were normally distributed and firm age (FAGE) with p value of 0.00000 is abnormally distributed.

4.2.6 Test for Autocorrelation

Table 7 below shows Durbin-Watson statistic is used to detect the presence of autocorrelation in the residuals from a statistical regression analysis.

Table 7: Test for Autocorrelation

.dwstat
Durbin-Watson d-statistic (5, 150) = 1.532526

Source: compilation from Stata 17, 2026

From the analysis a Durbin-Watson statistic value of 1.532526 was revealed. The statistic ranges from 0 to 4. A Durbin-Watson number between 0 and 2 indicates positive autocorrelation and 2 to 4 indicates negative correlation. A value of 2 indicates no auto correlation in the sample. Thus, the result (1.532526) showed that the independent variables were positively auto correlated and indicates that there was no autocorrelation problem.

4.2.7 Hausman Specification Test

Table 8 below shows the results from Hausman specification test conducted to show which of Random Effect or Fixed Effect will be most appropriate for estimating the model of the study. Because the datasets utilized in this study were panel data, both fixed and random effects were performed.

Table 8: Hausman Specification Test

Test Summary	Chi2 Stat	Chi2 d.f.	Prob.
Cross-section random	8.81	4	0.0660

Source: compilation from Stata 17, 2026

Results of the Hausman test indicated in Table 7 above, showed ample evidence for the acceptance of the null hypothesis at a 0.05 level of statistical significance. As can be seen, the probability value 0.0660 of the test is higher than the critical value of 0.05. Decision Rule: If the p-value is less than 0.05, the null hypothesis is rejected, and the alternative hypothesis should be accepted.

4.2.8 Regression Results (Direct Effects Model)

Table 9 presents random effects panel regression results for the direct effects of audit committee attributes on financial reporting quality (proxied by absolute discretionary accruals, DACC).

Table 9: Random Effect Regression (Direct relationship)

FRQL	Coefficient	Std. err.	p> z
AUDSZ	-.0925021	.0456418	0.043**
AUDIND	-.3264981	.4013256	0.416
BSE	-.0008234	.062481	0.960
FAGE	.0086913	.0034923	0.013**
_cons	.245554	.3045696	0.420
R ² = 0.1163			
Wald chi2 (4) = 15.13			
Prob > chi2 = 0.0044			

Source: compilation from Stata 17, 2026 *Note: *** p < 0.01; ** p < 0.05; * p < 0.10*

The results above reveal the R^2 of 0.1163 indicating a 11.63% of the variation in financial reporting quality (FRQL) is explained by the audit committee attributes and control variable. The F-statistic is significant at the 0.05 level, confirming the overall model fitness. The results also show that audit committee size (AUDSZ, $\beta = -0.925021$, $p < 0.043$) has a significant and negative effect on financial reporting quality (FRQL) indicating that it had a measurable and substantial harmful effect on financial reporting quality (FRQL), while audit committee independence (AUDIND, $\beta = -0.3264981$, $p > 0.416$) and board size (BSE, $\beta = -0.0062297$, $p > 0.960$) had an insignificant negative effect on financial reporting quality (FRQL) indicating that their impact slightly did not improve financial reporting quality (FRQL). The control variable firm age (FAGE, $\beta = 0.0086913$, $p > 0.013$), has a significant and positive effect indicating that it greatly improved financial reporting quality (FRQL).

4.2.9 Moderation model of board size on audit committee attributes and financial reporting quality relationship

Table 10 presents the full moderation model results including board size as a moderating variable.

Table 10: Moderating Relationship

FRQL	Step 1		Step 2	
	Coefficient	p>/z/	Coefficient	p>/z/
AUDSZ	-.0925021	0.043**	-0.953755	0.609
AUDIND	-.3264981	0.416	-.3982774	0.777
BSE			-.0062297	0.947
BSE*AUDSZ			.0001579	0.993
BSE*AUDIND			.008982	0.953
FAGE	.0086913	0.013**	.008623	0.013**
_cons	.245554	0.420	.3007198	0.744
R² = 0.1163			R² = 0.1169	
Wald chi2(4) = 15.13			Wald chi2(6) = 15.03	
Prob > chi2 = 0.0044			Prob > chi2 = 0.0200	

Source: compilation from Stata 17, 2026 *Note: *** p < 0.01; ** p < 0.05; * p < 0.10*

Table 10 above shows the moderating effect of board size (BSE) on the relationship between audit committee attributes and financial reporting quality (FRQL). In the direct relationship showing in Step 1, the R^2 of 0.1163 indicates that 11.63% of the variation in financial reporting quality (FRQL) is explained by audit committee attributes and control variable. The F-statistic is significant at the 0.05 level, confirming the overall model fitness. In the moderating effect showing in Step 2, when the moderating variable and the interaction terms were added R^2 increased from 11.63% to 11.69%, this shows that the presence of the moderating variable, board size (BSE) has a slightly insignificant and positive effect on financial reporting quality.

The results above also shows the addition of the moderating variable, board size (BSE) and its effect on audit committee size (AUDSZ, $\beta = -0.953755$, $p > 0.609$), audit committee independence (AUDIND, $\beta = -0.3982774$, $p > 0.777$) has an insignificant and negative effect on financial reporting quality (FRQL) indicating that it led to a slightly measurable and substantial reducing effect on financial reporting quality (FRQL), while board size (BSE, $\beta = -0.0062297$, $p > 0.947$) had an insignificant and negative effect on financial reporting quality (FRQL) indicating that their impact slightly did not improve financial reporting quality (FRQL).

From the addition of the interaction term, the results reveal that the moderating variable, board size interaction with audit committee size (BSE*AUDSZ, $\beta = .0001579$, $p > 0.993$), and audit committee independence (BSE*AUDIND, $\beta = .008982$, $p > 0.953$) has an insignificant and positive moderating effect on financial reporting quality (FRQL). The control variable firm age (FAGE, $\beta = .008623$, $p > 0.013$), has a significant and positive moderating effect on financial reporting quality (FRQL) indicating that it improved financial reporting quality (FRQL).

4.3 Test of Hypotheses (Direct Relationship)

The first objective of the study was to investigate the effect of audit committee size on financial reporting quality of listed consumer goods companies in Nigeria. The study hypothesized that audit committee size has no significant effect on financial reporting quality of listed consumer goods companies in Nigeria. Based on the result in table 9, it was noted that audit committee size (AUDSZ, $\beta = -.0925021$, $p < 0.043$), has a significant and negative effect on financial reporting quality (FRQL). This signifies that audit committee size (AUDSZ) is significant, positive and indirectly influence financial reporting quality (FRQL) of consumer goods companies in Nigeria measured by discretionary accrual. The p-value is less than 0.05 significance level. Therefore, the null hypothesis is rejected.

The second objective of the study was to evaluate the effect of audit committee independence on financial reporting quality of listed consumer goods companies in Nigeria. The study hypothesized that audit committee independence (AUDIND) has no significant effect on financial reporting quality (FRQL) of listed consumer goods companies in Nigeria. Based on the result in table 9, it was noted that audit committee independence (AUDIND, $\beta = -.3264981$, $p < 0.416$), has an insignificant and negative effect on financial reporting quality (FRQL) of listed consumer goods companies in Nigeria. This signifies that audit committee independence (AUDIND) is insignificant and negatively influence financial reporting quality (FRQL) of consumer goods companies in Nigeria measured by discretionary accrual. The p-value is greater than 0.05 significance level. Therefore, the null hypothesis is accepted.

Moderating effect

The third objective of the study was to explore the moderating effect of board size on the relationship between audit committee size and financial reporting quality of listed consumer goods companies in Nigeria. The study hypothesized that board size (BSE) has no moderating effect on audit committee size (AUDSZ) and financial reporting quality (FRQL) of listed consumer goods companies in Nigeria. Based on the moderation result in table 10, it was noted that the moderating variable, board size (BSE) interaction term with audit committee size (BSE*AUDSZ, $\beta = .0001579$, $p < 0.993$) and regressed with financial reporting quality (FRQL), has an insignificant and positive moderating effect on financial reporting quality (FRQL) of listed consumer goods companies in Nigeria. This signifies that board size (BSE) moderating effect on audit committee size (AUDSZ) and financial reporting quality (FRQL) of listed consumer goods companies in Nigeria is insignificant and slightly positively influence financial reporting quality (FRQL) of consumer goods companies in Nigeria measured by discretionary accrual. The p-value is greater than 0.05 significance level. Therefore, the null hypothesis is accepted.

The fourth objective of the study was to assess the moderating effect of board size on the relationship between audit committee independence and financial reporting quality of listed consumer goods companies in Nigeria. The study hypothesized that board size (BSE) has no moderating effect on audit committee independence (AUDIND) and financial reporting quality (FRQL) of listed consumer goods companies in Nigeria. Based on the moderation result in table 10, it was noted that the moderating variable, board size (BSE) interaction term with audit committee independence (BSE*AUDIND, $\beta = .008982$, $p < 0.953$) and regressed with financial reporting quality (FRQL), has an insignificant and positive moderating effect on financial reporting quality (FRQL) of listed consumer goods companies in Nigeria. This signifies that board size (BSE) moderating effect on audit committee independence (AUDIND) and financial reporting quality (FRQL) of listed consumer goods companies in Nigeria is insignificant and slightly positively influence financial reporting quality (FRQL) of consumer goods companies in Nigeria measured by discretionary accrual. The p-value is greater than 0.05 significance level. Therefore, the null hypothesis is accepted.

From the moderation results in table 10 above, the control variable, firm age (FAGE, $\beta = .008623$, $p < 0.013$) shows a significant and positive effect on financial reporting quality of consumer goods companies in Nigeria.

4.4 Discussion of Findings

Direct Effects of Audit Committee Attributes

The study found out that audit committee size has a significant and negative relationship with financial reporting quality of listed consumer goods companies in Nigeria. The result (AUDSZ, $\beta = -.0925021$, $p < 0.043$) implies that a unit change in the audit committee size while holding other factors constant could enhance indirectly financial reporting quality (FRQL) of consumer goods companies by a factor of 9.25% indirectly reducing financial reporting quality (FRQL). This finding agrees with Kantundu and Alhassan (2022), Tanko and Siyanbola (2019), Nurlala and Sopian (2025), Alqatan and Choudry (2024) who found a significant and negative relationship between audit committee size and financial reporting quality. The finding is in contrast with the findings of Jinadu et al., (2025), Kariuki and Oluoch (2020), Jerubet et al., (2017), Dare et al., (2022), Alqatamin and Alqatamin (2024), Lin and Hwang (2023) who found a significant and positive relationship.

The study found out that audit committee independence has an insignificant and negative relationship with financial reporting quality of listed consumer goods companies in Nigeria. The result (AUDIND, $\beta = -.3264981$, $p > 0.416$) implies that a unit change in the audit committee independence while holding other factors constant could slightly reduce financial reporting quality (FRQL) of consumer goods companies by a factor of 32.65% indirectly reducing financial reporting quality (FRQL). This finding agrees with Hasan et al., (2020), Zadeh et al., (2023), Kusnadi et al., (2016) and Agyei-Mensah (2022) who found an insignificant and positive relationship of audit committee independence with financial reporting quality. The finding is in contrast with Klein (2002), Alqatamin and Alqatamin (2024), Al Lawati and Kuruppu (2023), Alshammari (2025) and Akanbi et al., (2022) who found a significant and positive relationship in their studies.

Moderating Effect of Board Size

This study found out that board size has an insignificant and positive moderating effect on the relationship between audit committee size and financial reporting quality measured by discretionary accruals (DACC). It means with a positive moderating effect, as the overall board size gets larger, the positive benefits of having a good-sized audit committee gets better and improved. The result describes (BSE*AUDSZ, $\beta = .0001579$, $p > 0.993$) which implies that holding other independent variable constant, a unit increase in board size as a moderator could lead to a slightly upgrade of financial reporting quality (FRQL) of consumer goods companies by a factor of 0.01579% directly increasing financial reporting quality (FRQL). The finding agrees with Sobhan et al., (2025), Sultana (2015), Umoh (2021) and Hasan et al., (2022). The finding disagrees with the study of Peasnell (2005), Xie et al., (2003), Yermack, (1996).

This study found out that board size has an insignificant and positive moderating effect on the relationship between audit committee independence and financial reporting quality measured by discretionary accruals (DACC). It means with a positive moderating effect, as the overall board size gets larger, the positive benefits of having a balanced audit committee independence becomes higher and subsequently stronger. The result describes (BSE*AUIND, $\beta = .008982$, $p > 0.953$) which implies that holding other independent variable constant, a unit increase in board size as a moderator could lead to a slightly increase in financial reporting quality (FRQL) of consumer goods companies by a factor of 0.8982% directly improving financial reporting quality (FRQL). The finding agrees with Sobhan et al., (2025), Sultana (2015), Umoh (2021) and Hasan et al., (2022). The finding disagrees with the study of Peasnell (2005), Xie et al., (2003), Yermack, (1996).

CONCLUSION

The study opined that while robust audit committee attributes are fundamental to enhancing financial reporting quality, their effectiveness is significantly contingent upon the size of the Board of Directors. Based on the findings, the study concludes that audit committee attributes are essential determinants of financial reporting quality. Furthermore, board size significantly moderates the relationship between audit committee meeting frequency and financial reporting quality which implies that the effectiveness of audit committees does not operate in isolation but is influenced by the broader board structure. The study further asserts that strong corporate governance achieved through the synergy between an effective audit committee and an appropriately sized board is fundamental to producing high-quality financial reports that serve the interests of shareholders and other stakeholders. Audit committees that are independent, and have a mixture of independent and non-executive directors are better positioned to enhance the reliability and transparency of financial statements. Ultimately, the study affirms that corporate governance is an interdependent system and the alignment between audit committee attributes and board size is critical for mitigating agency costs and ensuring transparent financial reporting.

RECOMMENDATIONS

Based on the findings, the following recommendations are made:

1. Regulatory bodies should consider issuing guidelines that encourage optimal audit sizing alongside audit committee requirements. A "one-size-fits-all" approach to audit committee composition may be insufficient; regulations should promote governance structures that gives a balance approach with efficiency.
2. Strengthen audit committee independence whereby companies and regulators should ensure that audit committees are composed predominantly of independent, non-executive directors to enhance objectivity in oversight functions.

References

- Abdullahi, A. M. (2024). Impact of audit committee independence and expertise on financial reporting quality of listed commercial banks in Nigeria. *African Journal of Business and Economic Development*, 4(2), 17-26
- Adeleke, D. (2021). Audit committee characteristics and the quality of financial reports of listed financial institutions in Nigeria. *IOSR Journal of Business and Management*, 23(6), 59-73.
- Agbede, J. O., Ajibola, H. O., Olorunfemi, G. S., & Babajide, S. (2025). Auditor ' s independence and its influence on financial report quality of listed oil and gas companies in Nigeria. *Fuoye Journal of Accounting and Management*, 8(1), 81-106.
- Agyei-Mensah, B. K. (2022). Impact of audit committee attributes on financial reporting quality and timeliness: an empirical study. *Afro-Asian Journal of Finance and Accounting*, 12(1), 82-104.
- Akanbi, P. A., Ayodele, A. O., & Sunday, A. A. (2022). Audit committee attributes and financial reporting quality of selected quoted consumer goods firms in Nigeria, *International Journal of Economics, Commerce and Management United Kingdom*, 10(2), 72-97
- Al Lawati, H., & Kuruppu, N. T. (2023). Audit committee characteristics and sustainable development goals: Evidence from the gulf cooperation council. *Corporate ownership & control*, 20(3), 305– 316.
- Alqatamin, D. A., & Alqatamin, R. M. (2024). Audit committee characteristics and financial reporting quality: Evidence from the emerging market. *Risk Governance and Control: Financial Markets & Institutions*, 14(3), 86–95. <https://doi.org/10.22495/rgcv14i3p9>

- Alqatan, H., & Choudhary, M. (2024). Audit committees and reporting timeliness. *International Review of Financial Studies*, 56(7), 78-80.
- Alshammari, M. K. (2025). The role of audit committee compositions in influencing the quality of financial reporting. *Corporate Board: Role, Duties and Composition*, 21(4), 29-39.
- Ayinla, R. B., Aliyu, N. S., & Abdullah, A. A. (2022). Audit attributes and the financial reporting quality of listed deposit money banks in Nigeria. *Accounting and Taxation Review*, 6(2)
- Baron, M., & Kenny, A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic and statistical considerations. *Journal of Personality and Social Psychology*, 51(6), 1173-1182.
- Bathula, H. (2008). Board characteristics and firm performance: Evidence from New Zealand (Doctoral dissertation, Auckland University of Technology).
- Boro, G. L., & Newstyle, D. (2024). Audit committee characteristics and financial reporting quality of listed deposit money banks in Nigeria. *Accounting and Management Research Journal*, 11(1), 125–146.
- Boone, A. L., Field, L. C., Karpoff, J. M., & Raheja, C. G. (2007). The determinants of corporate board size and composition: An empirical analysis. *Journal of Financial Economics*, 85(1), 66–101.
- Buallay, A., & Al-Ajmi, J. (2019). The role of audit committee attributes in corporate sustainability reporting: Evidence from banks in the gulf cooperation council. *Journal of Applied Accounting Research*, 21 (2), 249–264. <https://doi.org/10.1108/JAAR-06-2018-0085>
- Cadbury Report. (1992). The financial aspects of corporate governance. Gee Publishing.
- Companies and Allied Matters Act (CAMA). (2020). Companies and allied matters act 2020. Princeton & Associates Publishing Co. Ltd.
- Coles, J. L., Daniel, N. D., & Naveen, L. (2008). Boards: Does one size fit all? *Journal of Financial Economics*, 87(2), 329–356.
- Dare, C. T., Efuntade, A. O., Alli-Momoh, B. O., & Efuntade, O. O. (2022). Audit committee characteristics and quality of audit: Exploratory and empirical analysis in the Nigerian oil sector. *European Journal of Accounting, Auditing and Finance Research*, 9(1), 97–111.
- Dechow, P. M., Sloan, R.G., & Sweeney, A. P. (1995). Detecting earnings management. *Accounting Review*, 70(2), 193–225.
- DeFond, M. L., Erkens, D. H., & Zhang, J. (2016). Do client characteristics really drive the Big N audit quality effect? New evidence from propensity score matching. *Management science*, 63(11), 3628-3649.
- Eisenberg, T., Sundgren, S., & Wells, M. T. (1998). Larger board size and decreasing firm value in small firms. *Journal of Financial Economics*, 48(1), 35–54.
- Ekaruwe, M. (2024). Audit committee attributes and financial reporting quality of listed commercial banks in Nigeria. *The Nigerian Journal Research and Production*, 26(1), 1–19.
- Emmanuel, O. G., Olatunji, O. L., & Inuwa, F. M. (2020). Effect of audit committee characteristics on financial reporting quality of quoted consumer goods companies in Nigeria. *UNIBEN Journal of Accounting Vol*, 4(1), 12–27.
- Enofe, A. O., Mgbame, C., Aderin, A., & Ehi-Oshio, O. U. (2013). Determinants of Quality of financial reporting in the Nigerian Business Environment. *Research Journal of Finance and Accounting*, 4(4) 36 – 43.
- Esitime, O. E., Ukpong, G. E., & Ibok, N. (2024). Audit committee effectiveness and financial reporting quality of listed non-financial firms in Sub-Saharan Africa: The moderating role of board independence. *Journal of Business and African Economy*, 10(4), 24-56.

- Fera, P., & Salzillo, G. (2021). Earnings quality and the cost of debt for SMEs under severe information asymmetry. *Journal of Governance & Regulation*, 10(3), 128–139. Doi.org/10.22495/jgrv10i3art11
- Haddad, A., El Ammari, A., & Abdelfattah, B. (2021). Impact of audit committee quality on the financial performance. *Journal of Accounting and Finance Research*, 12(3), 156-160.
- Hasan, S., Kassim, A. & Hamid, M. (2020). The impact of audit quality, audit committee and financial reporting quality: Evidence from Malaysia. *International Journal of Economics and Financial Issues*, 10(5), 272-281.
- Idris, I. A. (2021). Audit committee characteristics and financial reporting quality of listed deposit money banks in Nigeria: Moderating effect of whistle blowing policy. Being a Dissertation submitted to the school of postgraduate studies, Kaduna state university, Kaduna-Nigeria. in partial fulfilment of the requirements for the award of Master of Science (M.SC.) degree in Accounting.
- Jonah, N. (2025). Audit committee attributes and financial reporting quality of listed deposit money banks in Nigeria. *International Journal of Banking and Finance Research IIARD*, 11(1), 1–19. <https://doi.org/10.56201/ijbfr.v11>
- Jensen, M. C. (1993). The modern industrial revolution, exit, and the failure of internal control systems. *Journal of Finance*, 48(3), 831–880.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behaviour, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360.
- Jerubet, S., Chepng'eno, W., & Tenai, J. (2017). Effects of audit committee characteristics on quality of financial reporting among firms listed in Nairobi Securities Exchange, Kenya. *International Journal of Economics, Commerce and Management*, 5(1), 553–569.
- Jinadu, O., Oladejo, S. A., & Fasua, H. K. (2025). Audit committee attributes and quality of audit in Nigerian listed manufacturing companies. *International Journal of Research and Innovation in Social Science (IJRISS)*, 9(10), DOI: 10.47772
- Kabiru, M., & Usman, A. (2021). Effect of audit committee characteristics on financial reporting quality of deposit money banks in Nigeria. *Journal of Accounting and Finance Research*, 1(1), 89-109.
- Kantudu, A. S., & Alhassan, I. (2022). Audit committee and financial reporting quality in listed non-financial firms in Nigeria. *Arabian Journal of Business and Management Review*, 11(1), 6-14.
- Kariuki, M. N., & Oluoch, O. J. (2020). Effect of audit committee size on financial reporting quality of firms listed in Nairobi Securities Exchange. *International Journal of Social Sciences and Information Technology*, 5(8), 123–134.
- Klein, A. (2002). Audit committee, board of director characteristics, and earnings management. *Journal of Accounting and Economics*, 33(3), 375–400.
- Krishnan, J. (2005). Audit committee quality and internal control: An empirical analysis. *Accounting Review*, 80(2), 649–675.
- Kusnadi, Y., Leong, K. S., Suwardy, T., & Wang, J. (2015). Audit committees and financial reporting quality in Singapore. *Journal of Business Ethics*, 139(1), 197–214, DOI: 10.1007/s10551-015-2679-0.
- Lin, C., & Hwang, D. (2023). Audit committees and financial transparency: Evidence from the U.S. *Journal of Accounting Research*. 35(6), 134-136
- Muhammed, I. K., Abdulyakeen, G., Ajide, K. T., & Oyaleke, K. O. (2024). Analysis of market margins and marketing efficiency in the soybean supply chain: Evidence from Baruteen Local Government, Kwara State. *Malete Journal of Accounting and Finance*, 4(2), 209- 224

- Nurlela, I., & Sopian, D. (2025). Analyst of the influence of corporate governance and leverage on the quality of financial reports. *International Journal of Economics and Management Research*, 4(2), 466- 475.
- Nwonyuku, K. N. (2016). Corporate governance and profitability of listed food and beverages firms in Nigeria. *Industrial Engineering Letters*, 6(3), 47–105.
- Obafemi, F. J., & Olawale, O. O. (2026). Audit committee attributes and financial reporting quality of selected quoted consumer goods firms in Nigeria. *IIARD International Journal of Economics and Business Management*, 12(2), 286–303.
- Okeke, C. B. (2024). Board specific attributes and financial reporting quality of listed consumer goods firms in Nigeria. *MPRA Munich Personal RePEc Archive Board*, 121823, 1–33.
- Oniwinde, I. (2010). Corporate governance in Nigeria manufacturing industry Ogun: Covenant University. Unpublished (B.Sc. Degree Thesis), Covenant University.
- Peasnell, K. V., Pope, P. F., & Young, S. (2005). Board monitoring and earnings management: Do outside directors influence abnormal accruals? *Journal of Business Finance & Accounting*, 32(7–8), 1311–1346.
- Peekate, F., & Okagbulem, T. (2025). Audit committee characteristics and quality of financial reporting of listed consumer goods manufacturing companies in Nigeria. *Journal of Accounting & Marketing Research*, 10(2), 137–156.
- Salma, H. M., & Ramadan, M. M. (2022). The effect of audit quality on financial reporting quality. *Alexandria Journal of Accounting Research*, 6(2), 41–83
- Shah, Z., & Malik, A. (2022). Corporate governance and its impact on financial integrity. *Asian Journal of Governance*, 67(8), 145-150
- Sobhan, R., Mim, F. F., & Rahman, F. (2025). Nexus between audit committee characteristics and audit report lag in an emerging economy: An analysis using frequentist and Bayesian regression models. *Asian Journal of Economics and Banking*, (2025) 9 (2), 311–333.
- Sultana, N. (2015). Audit committee characteristics and accounting conservatism. *International Journal of Auditing*, 19, 88-102.
- Tanko, U., & Siyanbola, A. (2019). Audit committee and financial reporting quality: Evidence from listed firms in Nigeria. *Journal of Accounting, Finance and Management Discovery*, 2(2), 92-105
- UK Corporate Governance Code. (2018). UK Corporate Governance Code. Financial Reporting Council.
- Umoh, S. (2021). The viability of makeup as a catalyst for entrepreneurship development in contemporary Nigeria. *AKSU Journal of Administration and Corporate Governance*, 1(3), 101-112.
- Vafeas, N. (2005). Audit committees, boards, and the quality of reported earnings. *Contemporary Accounting Research*, 22(4), 1093–1122.
- Wahhab, M., & Al-Shammari, M. (2021). Audit committee characteristics, regulatory changes and financial reporting quality in Iraq: Some lessons from Sox Act. *International Journal of Economics and Finance Studies*, 13(1), 43-66.
- Xie, B., Davidson, W. N., & DaDalt, P. J. (2003). Earnings management and corporate governance: The role of the board and the audit committee. *Journal of Corporate Finance*, 9(3), 295–316.
- Yermack, D. (1996). Higher market valuation of companies with a small board of directors. *Journal of Financial Economics*, 40(2), 185–211.
- Zadeh, N. F., Askarany, D., Shirzad, A., & Faghani, M. (2023). Audit committee features and earnings management. *Heliyon*, 9(10), 1-14.