Firms Attributes and Reporting Lag: The Moderating Role of Audit Committee

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Abstract
This study investigated empirically the moderating role of audit committee on firm attributes and reporting lag of quoted money deposit banks in Nigeria for a period of ten years covering from 2012 to 2021. The study adopted ex-post facto research design and data sourced from selected firm's yearly reports. To proxy firm attributes the study used return on asset (ROA), asset tangibility (ASSTAN), firm growth (FGRWT), firm age (FAGE), and firm size (FSIZE). Reporting lag was measured using the firm's reporting lag within the period of review while audit committee was measured by the audit committee size. The study conducted some preliminary analysis such as descriptive statistics, correlation analysis to ascertain the normality and presence of multi-colinearity in the data collated and used the ordinary least square regressions analysis to analyze the data collected. Findings show that the moderating role of Audit committee on ASSTAN, FAGE, and FSIZE positively but insignificantly affect the level of reporting lag of quoted Money Deposit Bank in Nigeria while ROA and FGRWT, positively and significantly affect the level of reporting lag of quoted Money Deposit Bank in Nigeria hence audit committee moderating firm attributes can impact on the level of reporting lag of Money Deposit Bank. The study recommends that firms should have an efficient audit committee to boost a strong internal control and accounting system and also abide by all the regulations, including accounting standards, so as to reduce auditors' reporting lag.

Keywords: *Audit Committee Size, Return on Asset, Asset Tangibility, Firm Growth, and Firm Age.*

1. Introduction

The timeliness of Audit reports is a critical factor in emerging and newly developed capital markets where the audited financial statements in the annual report are the only reliable source of information available to investors. The SAS (Statement of Accounting Standards) Number 2 in Nigeria requires that accounting information should be seen as been transparent. Transparency is a very imperative component of financial reporting. Companies must disclose anything that might influence the investment decision of an informed investor. Timeliness is one of the features of financial reports. Therefore, the timely presentation of financial statement to shareholders at the annual general meeting for approval and use for effective and efficient decision-making is one of the qualitative characteristics of financial reports. Alexander and (2000) reports that information should be provided to the user in time for use to be made of it. Turel (2010) posited that timeliness of financial statements is one of the important determinants of financial reports. He argue that irrespective of whether one chooses to call timeliness an objective of accounting or an attribute of useful accounting information, it is clear that both the disclosure regulations and a large part of the accounting literature adopt the premise that timeliness is a necessary condition to be satisfied if financial statements are to be useful. Timely financial reporting is an essential ingredient for a well-functioning capital market. Timeliness is one of the qualities of financial report without which relevance cannot be attained. A relevant but untimely financial reporting has no use and it is capable of causing market imperfection. The increase in the delay reduces the information content and relevancy of the information. Entities should balance the relative benefits of timely reporting with the reliability of information provided in the financial statements (McLelland & Giroux, 2000; Afify, 2009 and Mitra & Hossain, 2009). To provide information on a timely basis it may often be necessary to report before all aspects of a transaction or other event are known, thus impairing reliability. Conversely, if reporting is delayed until all aspects are known, the information may be highly reliable but of little use to users who have had to make decisions in the interim (Lambert, Brazel & Jones, 2008). Timeliness has long been recognised as one of the qualitative attributes of general-purpose financial reports (Almosa & Alabbas, 2007 and Aljifri & Khasharmeh, 2010).

In Nigeria, the need for high quality and timely financial information has become predominantly imperative due to the increasing exposure of Nigerian business organizations to international capital markets. Thus, the business organizations are being obliged to satisfy the information demands of foreign investors and to provide them with more timely information in annual financial reports. Recognizing the importance of timely release of financial information, regulatory agencies and laws in Nigeria have set statutory maximum time limits within which listed companies are required to issue audited financial statements to stakeholders and also file such reports with relevant regulatory bodies.

Banks and Other Financial Institutions Act (BOFIA) of 1991 contain provisions on financial reporting by banks in addition to CAMA requirements. The Banks Act requires banks to submit audited financial statements to the Central Bank of Nigeria for approval before publication in a national daily newspaper within four months of yearend. the Investments and Securities Act of 1999 provides that audited financial statements must be filed with the SEC, Nigerian Stock Exchange (NSE), and the Corporate Affairs Commission (CAC) and be approved by the Stock Exchange before publication in newspapers within three months after the year-end. The

Companies and Allied Matters Act (CAMA) of 2004 as amended requires the submission of audited financial statements to the Corporate Affairs Commission within 42 days of the annual general meeting and publication of audited financial statements by all public limited liability companies in at least one national daily newspaper.

Several studies on the timeliness of corporate reporting and audit delay have been undertaken in a number of countries. Attempts have been made to investigate the factors responsible for the delay of corporate financial reports in Nigeria, and have based their conclusions from cross-sectorial analysis (for example Afolabi, 2007; Fagbemi and Uadiale, 2011 and Iyoha, 2012).There is no doubt as to the fact that studies have been conducted on auditors reporting lag in Nigeria. It is however found that significant research attention has been devoted to the investigation of corporate governance and auditors reporting lag in Nigeria (Azubike & Aggreh, 2014; Ilaboya & Iyafekhe, 2014; Miko & Kamardin, 2015; Soyemi et al., 2019), as well as determinants of auditors reporting lag (Modugu et al., 2012). Some studies have attributed audit delay to external auditors, although this is not entirely true. Before an external audit expresses an independent opinion on the financial statements, he needs to work with the internal auditor and audit committee of the organisation to successfully carry out the audit work. The audit committee particularly would help the external auditor enhance its timely reporting. The roles of an audit committee is to oversee the process of financial reporting, the work of the external auditor, and to strengthen the internal control of an organisation. Therefore, the audit committee effectiveness would help the external auditor reduce reporting lag and improve the timeliness of financial reports. Despite the establishment of a committee on audit in firms and the deadline set by the capital markets on annual financial reporting, reporting lag still exists. Hence, this study focused on the Moderating Role of Audit Committee on Firm Attributes and Reporting Lag.

2. Review of Related Literature

2.1 Audit Committee

The concept of audit committee was first recommended in North America in the early 1940s by the Securities and Exchange Commission. It was recommended that all public owned corporations should appoint committees of outside and non-executive directors to nominate independent auditors and to discuss audit work with them. In Nigeria, the companies and Allied Matter Act, 1990 introduced the concept of audit committee, through under modified concept. It defined Audit Committee as committee of shareholders and executive directors charged with the responsibility to view a company’s position in a detached and independent way and to liaise between the external auditors and the Board of directors on one hand, and between management and external auditors on the other hand. This comprises a number of six members. It is expected that shareholders should elect the members of Audit Committee and also conduct Annual General Meeting.
The Audit Committee has the responsibilities to;

i. Review the financial statement to ensure that;

   - They disclose adequately all material matters affecting them
   - Disclose requirements and statements of accounting standards complied with

- The company has consistently followed the accounting policies and provide where necessary notes to the annual accounts.

ii. Review of audit findings and ensure that auditors recommendations and consideration

iii. The recommend appointment and remuneration of auditors

The Audit committee is saddled with responsibility of ensuring quality reporting by performing oversight functions of the activities of management and external auditors (Enofe et al. 2013). They mitigate the agency problem between management and owners as well as oversee the processes involved in accounting and auditing of company financial. According to Li et al. (2012), the audit committee can be used as an effective tool to ensure quality-reporting process. However, if this must be achieved, audit committees must possess some characteristics such as independence, frequent meetings, and financial expert as resource persons (Li et al. 2012).

2.2 Firm Attribute

There is evidence that firm attributes influence the firm's choice of internal governance mechanism especially with respect to performance measures (Karuna, 2009). Engel et al.,(2002) in examining firm attributes, divided them into three categories: uncontrollable, partially controllable and controllable. Controllable attributes are those which fall outside the direct control of the firms and include organizational size and structure. Partially controllable attributes are those that cannot be changed at will by the firm but susceptible to change in the long run and include organizational resources and organizational maturity. And the controllable attributes are those under the control of the firm. Considering that there is always a day of reckoning, the attributes, whether controllable or uncontrollable, is susceptible to manipulation by the managers of firms. This assertion suggests that firm attributes may be an important determinant of the quality of accounting practice in terms of timeliness. Several firm attributes which could impact the timeliness of financial reporting have been identified in prior literature thus, Company Size (COMPS), Profitability (PROFT), Company Age (AGE), Size of Audit Firm (SAF) and Company Financial Year-end (FINYR).

Profitability

Though, empirical investigations on the effect of auditors' reporting lag on profitability is inconclusive, most studies have demonstrated that profitability significantly reduces the reporting lag of an enterprise as they wish to communicate good news on timely basis to users. Many researchers like Akingunola et al. (2018), Arifuddin et al. (2017), Modugu et al. (2012) have reported that profitability positively and significantly influenced auditors' reporting lag. This indicates that firms with high profitability are less eager to release annual reports. Studies by Abdillah et al. (2019), Habib et al (2018), Hapsari et al. (2016), Modugu et al. (2012) negated this conclusion as they advocated for negative influence of profitability on auditors' reporting lag as they are of the opinions that profitable companies are more eager to release information relating to profitability. We therefore hypothesis that:

H01: Audit committee moderating performance has not significant effect on reporting lag of Money Deposit Bank in Nigerian.

Asset Tangibility

Tangible Assets are physical assets that go through a relatively long period of use in the operation of the business, such as land, buildings, machinery, and construction in progress that can be offered as collateral to creditors in case of bankruptcy. The scale is used is a rational scale. A high ratio of fixed to total assets provides creditors with a high level of security since they'd be able to liquidate more assets in case bankruptcy. (Baker & Martin, 2011)

H02: Audit committee moderating assets tangibility has not significant effect on reporting lag of Money Deposit Bank in Nigerian

Firm Age

There exists positive relationship between age and financial statement timeliness (Soltani, 2002). Internal control system matured firms are considered by (Hope & Langli, 2008) to be stronger than younger firms which are characterized by shallow experience in accounting controls and thereby associated with high susceptibility to failure. In this regard, Akingunola et al (2018) established significant positive link between age and audited reporting lag while negative and significant effect was the outcome of studies conducted by (Dibia & Onwuchekwa, 2013, Ocak & Ozden, 2018). We therefore hypothesis that:

H03: Audit committee moderating firm age has not significant effect on reporting lag of Money Deposit Bank in Nigerian.

Firm Size

Size represents total asset of a company (Arifuddin et al., 2018). The size of the company is expected to positively influence auditors reporting lag as larger companies may have higher transactions for auditors to perform audit work which thus increases time used in carrying out audit engagement. Researchers like Arifuddin (2018) aligned with this conclusion, while researchers like Ilaboya & Iyafekhe (2014), Modugu et al. (2012) have reported significant but negative effect of size on auditors' reporting lag. We therefore hypothesis that:

H04: Audit committee moderating firm size has not significant effect on reporting lag of Money Deposit Bank in Nigerian.

Firm Growth

Performance variables such as profitability, growth, asset tangibility and liquidity are employed as common evaluation methods of financial health of firms within a given time period; it generally affects the management's decisions; however, due to some reasons, maintaining such an impressive performance may not always be achievable. Therefore, in these circumstances, when companies are not financially performing well, managers may decide to use some discretion to manipulate earnings so as to achieve particular target earnings or present a more favourable and convincing outcome of their financial reports to impress investors although, this can result to lower quality of financial reporting (Shehu, 2012)

H05: Audit committee moderating firm growth has not significant effect on reporting lag of Money Deposit Bank in Nigerian.

2.3 Reporting Lag

Timeliness of financial statements is generally conceptualized in literature as the time it takes the company to present its financial reports before its shareholders in the Annual General Meeting after the closing date of such company. The International Accounting Standard Board (2008) sees timeliness as making the financial information available to users on time so as to influence their decision. Timeliness thus requires that information should be made available to the users as quickly as possible (Carslaw & Caplan, 1991). Studies like Gilling, (1977) and Abdulla, (1996) have shown that the shorter the time between a company's financial year-end to the date of the auditor's report, the more the benefits that can be obtained from the audited financial statements. Due to the importance attached to the timeliness of financial reporting, different national regulatory authorities have recognized the need to set a maximum time financial reports should be made available to the shareholders. In Nigeria, the Company and Allied Matter Act (CAMA) 2004 requires each company to hold its annual general meeting, where the financial statements would be presented before the shareholders in a period not more than fifteen month after the last annual general meeting (S. 213, 214 &218). This implies that the period or reporting lag allowed by the Company and Allied Matter Act in Nigeria is a maximum of six months. This is unlike the situations existing in Turkey and United State of America where for instance, the Istanbul Stock Exchange (ISE) requires audited financial statements of companies to be published within fourteen (14) weeks after the end of the year of companies (Bengu & Burcu, 2013:2). And in the USA, Security and Exchange Commission has in fact reduced the filing deadline for financial statement of companies from 90 days to 60 day so as to improve the efficiency of market in USA (Lehtinen, 2013:2).

To provide information on a timely basis it may often be necessary to report before all aspects of a transaction or other event are known, thus impairing reliability (Sengupta, 2004). We. Conversely, if reporting is delayed until all aspects are known, the information may be highly reliable but of little use to users who have had to make decisions in the interim (McLelland and Giroux, 2000). Lee et al. (2008) suggest that the audit committee may influence audit timeliness, they do not test the predicted association. Afify (2009) documents that the voluntary establishment of an audit committee reduces audit lag in Egypt.

2.4 Theoretical Framework

Agency Theory

The agency theory was conceptualized by Jensen and Mekcling, 1976. The theory deals with the contractual relationship between the agent (manager) and the principal (shareholders) under which shareholders delegate responsibilities to the manager to run their business. This theory argues that when both parties are expected to maximize their utility, there is good reason to believe that the agent may engage in opportunistic behavior at the expense of the principal’s interest. Jensen and Meckling (1976) modeled this condition as an agency relationship where the inability of the principal to directly observe the agent’s action could lead to moral hazard, thus increasing agency cost. The agency cost between managers and shareholders necessitated the shareholders to put up some mechanisms to reduce this agency problem arising from divorce of management from ownership.

Since it is not acceptable to publish financial statements unless a certified public accountant (external auditor) first audits them, the external audit effort is an important component of these costs, as long as auditors have to make sure that managers act according to the shareholders' interests, while also auditors have the required task to inspect the accounts of the company. It may hence be supposed that auditors will spend more time inspecting the managers' activity and therefore increase the audit report lag if the agency problems are big.

2.5 Empirical Review

Trimisiu et al (2020) analyzed the effect of firms' attributes on auditors' reporting lag in Nigerian deposit money banks. Ten listed banks were selected purposively based on size and relevant data were obtained from the financial reports of the sampled banks from 2008 to 2017. The study used dynamic generalized method of moment involving fixed effect to test the effect of firms' attributes on auditors' reporting lag. Findings showed that age has significant positive effect on auditors' reporting lag of the sampled banks while size has no significant positive effect. However, profitability was found to exert negative but no significant effect on auditors' reporting lag. The study concluded that age is the contributing factor for the delay in audited report implying that the older a company is, the more the delay in its audited report. Arising from this, the study recommended that banks should have robust internal control system and accounting system and also comply with all regulations including accounting standards, so as to reduce auditors' reporting lag in Nigeria.

Soyemi et al (2019) examined the influence of corporate governance practices on audit report lag in Nigeria on 21 non-financial firms using regression analysis to analyze the data. Findings proved that board size, gender diversity, board meetings and audit committee meetings have no significant effect on audit report lag while board and audit committee independence were found to exert negative significant influence on audit report lag of the selected firms. The study concluded that board and audit committee independence are the significant drivers of audit report lag in Nigerian non financial firms. The study recommends that board independence should be encouraged so as to reduce the efficacy of audit delay.

Ehijiele et al (2018) examined corporate attributes and timeliness of financial reporting in 40 selected quoted company in Nigeria from 2010 – 2015 using firm age, profitability and firm size on timeliness. The generalized least square regression (GLS) was used to analyze the data. Result found out that firm age, size, and profitability has no significant effect on financial reporting timeliness. The study recommends need for companies to improve the timeliness of their financial reporting.

Alexander et al (2015) examined the impact of corporate governance variables and firm attributes on audit delay in 15 Nigerian banking sectors using ordinary least square technique to analyze the data. Results revealed that there is no significant relationship between ownership structures, firm size, balance sheet date and audit delay, while firm age and profitability have positive relationship with audit delay. Board size exhibits a negative relationship with audit delay. The study recommends that statutory bodies should enact law to reduce institution ownership and the firm should be compelled to adjust their balance date from January-December to June-July to avoid rush associated with December.

Azubuike et al (2014) examined the determinants of audit report timeliness in Nigeria using company size, profitability, complexity and audit firm type on audit report timeliness of 40 companies from 2010 – 2012. The ordinary least square (OLS) regression technique was utilized as the method of data analysis. Results found out that a significant relationship exit between board size, board independence, firm type and audit report lag. Also the time lag prescribed by the regulatory bodies is usually too much thus encouraging delay in financial reporting. The study recommends that the regulatory bodies should put in place measures to ensure strict compliance with the laid down rules and regulations.

3. 1 Methodology

This research made use of secondary data which consist of audited published financial statements of selected Money Deposit Banks quoted on the Nigerian Stock Exchange.

The secondary data were collated from cross section of ten (10) Money Deposit Bank in Nigeria, within the period of ten (10) years. The study adopted the ordinary least square regressions analysis to identify the moderating role of audit committee on the relationship that exists between firm attributes and reporting lag. The study however conducted some preliminary analysis such as descriptive statistics, correlation analysis to ascertain the normality and presence of multi-colinearity in the data collated and analyze for the study.

3.2 Moderating model

The model used for this study was;

FRL = f[ACSIZE*(ROA, ASSTAN, FGRWT, FAGE, FSIZE)] ……………………………… 1

This was econometrically expressed as follows:

$$TobinQit = \beta_0 + \beta_1 ACSIZEit*ROAit + \beta_2 ACSIZEit*ASSTANit + \beta_3 ACSIZEit*FGRWTit + \beta_4 ACSIZEit*FAGEit + \beta_5 ACSIZEit*FSIZEit + \varepsilon it \quad \ldots\ldots 2$$

Equation 1 and 2 is the moderating linear regression model that was used in testing the null hypotheses formulated.

Where;
FRL= Reporting lag
ACSIZE= Audit Committee Size
ROA= Return on Asset
ASSTAN= Asset Tangibility
FGRWT= Firm Growth
FAGE= Firm Age
FSIZE= Firm Size

Calculated as:
FRL = natural logarithm of number of days between the client fiscal year end and the date the audited report was signed
ACSIZE = members of that committee elected by the board of directors
ROA = profit after tax divided by total asset
ASSTAN = total assets less intangible assets less liabilities
FGRWT = market capitalization that is current stock price multiplied by total no of outstanding shares
FAGE = number of years a company has been listed on the Nigerian Stock exchange
FSIZE = natural log of total assets.

4.1.1 Descriptive Statistics

The descriptive statistics result shows the mean performance for each of the variables, their maximum performances, minimum performances, standard deviation and the normality test.

Table 4.1 below, is the descriptive statistics result of the data covering the period of ten years (2012 – 2021) of the quoted Money Deposit Bank is used for the study.

Table 4.1 Descriptive Statistics

	FRL	ROA	ASSTAN	FGRWT	ACSIZE	FAGE	FSIZE
Mean	*103.7346*	0.404730	0.454617	2.507190	*4.750000*	23.19368	14.08714
Median	*78.00000*	0.688500	0.431500	1.030000	*4.000000*	48.00000	11.44000
Maximum	*117.0000 0*	0.826300	0.654600	4.604800	*6.000000*	76.30000	17.08000
Minimum	*74.00000*	-0.209900	0.248100	0.660000	*4.000000*	7.000000	10.57039
Std. Dev.	*3.633699*	0.335679	0.291670	162.3364	*2.278835*	29.78971	0.518691
Skewness	*17.25309*	-0.518503	0.262088	8.042169	*12.98898*	0.621416	2.148310
Kurtosis	*103.7346*	3.920310	2.577828	207.4672	*3.353545*	3.035314	14.08714
Jarque-Bera	*657965.7*	20.26478	4.775260	449029.1	*492.2544*	16.29611	7.356274
Probability	*0.000000*	0.000040	0.091847	0.000000	*0.000000*	0.000289	0.025270
Sum	123.7389	203.5968	115.0182	3670.320	-79741.87	12952.00	1905.452
Sum Sq. Dev.	12053.77	28.39552	21.43799	6640985.	5.25E+09	223631.5	1203.516
Observations	100	100	100	100	100	100	100

Source: Descriptive Statistics Result Using e-view 9

The descriptive statistics result shows that on the average, Money Deposit Bank used in the study have reporting lag performance of 103.7days, maximum reporting lag of 117.00days and minimum performance of 78.00days within the period under study. The difference between the mean, minimum and maximum reporting lag shows that few banks report above the average days of 103.7.

The result shows that Money Deposit Bank have positive performance (ROA) of 0.40, maximum performance of 0.826 and minimum performance (negative) of -0.21 within the period under review. The difference between the average performance 0.439, maximum performance of 1.064 and minimum performance of 0.102 shows that most of the Money Deposit Banks made positive performance within the period under review.

The result reveals that on the average, Money Deposit Banks maintain about 45 percent of their total assets in physical (non-current) assets form. Some Money Deposit Banks have assets tangibility maximum of 0.65% and minimum assets tangibility of 24.8%. The differences in the asset tangibility reveal the extent of intangible assets and liquidity level that some Money Deposit Banks maintain. As the level of technology and uncertainty in the business environment increases, most Money Deposit Banks' invest in new technology(intangible assets) and prefer holding high proportion of their assets in liquid and near liquid form. The result shows that while some Money Deposit Banks maintain high level of noncurrent assets when compared with current assets, some maintain low level of noncurrent assets.

The result shows that the average of company size is 14.09 the result shows that some Money Deposit Banks used in the study are large while few are small. This reveals that our samples are not dominated by either big or small Money Deposit Banks. There are big, small and medium size Money Deposit Banks among the Money Deposit Banks used in the study.

Company growth has mean value of 2.5, maximum value of 4.6 and minimum value of 0.66. The result shows that some Money Deposit Banks achieve high growth rate of approximately 5% (4.6) while some experience low growth rate less than 1%. The result reveals that some Money Deposit Banks achieved high growth rate within the period while others achieve low growth rate within the period under review.

Company age has been associated with standard, as old Money Deposit Bank is assumed to have formulated operative standard in various area of the Money Deposit Bank operation. The result shows that company age has mean value of 23years, maximum value of 76.3 years and minimum value of 7years.

The result of the audit committee size of Money Deposit Bank has an average of 5 (4.75) members, maximum of 6 members and minimum of 4 members. The result reveals that on the average most Deposit Money Bank maintain 5 members as audit committee members within the corporate governance board.

4.2 Correlation Analysis.

In examining the relationship that exist among the variables and check for multi-colinearity, the study employed the spearman rank correlation and the results are presented in table 4.2

Table 4.2 Pearson Correlation coefficient analysis

	FRL	ROA	ASSTAN	ACSIZE	FGRWT	AGE	FSIZE
FRL	**1.000000**						
ROA	**0.025262**	**1.000000**					
ASSTAN	**0.070234**	**0.045799**	**1.000000**				
ACSIZE	**-0.006170**	**-0.087782**	**0.079430**	**1.000000**			
FGRWT	**0.003952**	**-0.008413**	**0.086287**	**0.006696**	**1.000000**		
FAGE	**0.059775**	**-0.235417**	**0.185815**	**0.074480**	**-0.024551**	**1.000000**	
FSIZE	**0.082439**	**0.156060**	**0.197879**	**0.046593**	**0.012048**	**-0.422676**	**1.000000**

Source: Correlation analysis result using eview 9.

The result shows that reporting lag (FRL) is positively associated with performance (0.025). This positive relationship reveals that an increase in performance would lead to increase in the reporting lag by Money Deposit Bank.

Reporting lag is positively associated with assets tangibility (0.07). This reveals the Deposit Money Banks with more asset's tangibility could delay their reporting period. An increase in the assets tangibility will lead to increase in the reporting lag of Money Deposit Bank in Nigeria. Reporting lag is positively associated with firm growth (0.003). This shows that the more company makes grows the more their reporting lag. So, Deposit Money Banks that pursue growth as its agenda would experience delay in their reporting.

Reporting lag has a positive association with firm age (0.059). This reveals that firm age can lead to increase in reporting lag of Money Deposit Bank as more firm age/ get older, the longer their reporting lag. Thus, the older the Deposit Money Banks increase in the age of Money Deposit Bank will lead to increase in the Capital employed of Money Deposit Bank in Nigeria. Deposit Money Banks size has positive association with reporting lag (0.082). The association reveals that big Deposit Money Banks tends to delay their reporting, thereby having high reporting lag.

Reporting lag has a negative association with audit committee size (-0.006). This reveals that audit committee size can lead to reduction in reporting lag of Money Deposit Bank as more audit committee size, the shorter their reporting lag. Thus, the larger the audit committee size the lesser the reporting lag of Deposit Money Banks in Nigeria.

The study observed that no two variables were perfectly correlated using the 75% association benchmark. This shows the absent of multi-colinearity among the variables used in the study.

4.3.1 Hausman Effect test: Fixed and Random Effect Test

The summary result of Tobin q model, Hausman effect test used by the study to select between fixed and random effect, which affect the data used in the study is presented below.

Table 4.3.1 **Correlated Random Effects - Hausman Test**

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	13.22702	7	0.0617

Source: Summary of hausman effect test result (2022) from e-view 9

The Hausman effect test result shows a chi-square statistic performance of 13.22 and probability performance 0.062, the chi-square probability performance is less than 10 percent. Based on the result, the fixed effect is accepted, and the random effect is rejected. The study therefore used the random effect to correct the problem of heterogeneity in the data used for the study. Table 4.4 below is the regression result adjusted for random effect (detail of the result is presented in table 4 under the appendix).

Regression analysis result

Below is the analysis of return on assets model. The detail of the result is in table 4 under the appendix.

Table 4.3.4 Cross-section random effects test equation:

Cross-section random effects test equation:				
Dependent Variable: FRL				
Method: Panel Least Squares				
Date: 22/10/22 Time: 08:19				
Sample: 2012 2021				
Periods included: 10				
Cross-sections included: 10				
Total panel (unbalanced) observations: 100				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.92123	3.447218	3.748344	0.0000
AUCSIZE*ROA	0.451475	0.258744	1.744871	0.0804
AUCSIZE*ASSTAN	0.815447	2.234927	0.364865	0.7156
AUCSIZE*FAGE	0.015869	0.028567	0.555518	0.5791
AUCSIZE*FSIZE	0.090438	0.360692	0.250734	0.8023
AUCSIZE*FGRWT	0.264837	0.053241	4.974306	0.0000
	Effects Specification			
Cross-section fixed (dummy variables)				
R-squared	0.492639	Mean dependent var		0.489087
Adjusted R-squared	0.429977	S.D. dependent var		6.916097
S.E. of regression	7.018993	Akaike info criterion		6.849464
Sum squared resid	10937.11	Schwarz criterion		7.282409
Log likelihood	-835.4572	Hannan-Quinn criter.		7.023652
F-statistic	7.755522	Durbin-Watson stat		2.451004
Prob(F-statistic)	0.008681			

Source: Regression result from e-view 9

The analysis result of the reporting lag model shows an R-sq of 0.49 and R-sq (adj) 0.429 respectively. The R-squared adjusted performance of 0.429 (42.9%) indicates that Money Deposit Bank attributes can explain about 42.9% of changes in the level of reporting lag. That is, about 42.9% changes in reporting lag of Money Deposit Banks in Nigeria can be attributable to their attributes. The F-statistics performance of 7.76, and its probability performance of 0.0087, shows that the regression model used is well specified and the specification is statistically significant at 1% levels.

Hypothesis testing

H01: Audit committee moderating performance has no significant effect on reporting lag of Money Deposit Bank in Nigerian.

The analysis result shows that Audit committee moderating performance has a positive effect on reporting lag (coefficient 0.451). This indicates that Audit committee moderating performance positively affect the level of reporting lag of Money Deposit Bank in Nigeria. The probability reporting lag of 0.0804 shows that the positive effect Audit committee moderating performance has on reporting lag of Money Deposit Bank in Nigeria, is statistically significant at 1 percent level. This means that an increase in the moderating role of the Audit committee performance can positively impact on reporting lag of companies in Nigeria. Based on the result, the study rejects the null hypothesis and accepted the alternate hypothesis.

H02: Audit committee moderating assets tangibility has no significant effect on reporting lag of Money Deposit Bank in Nigerian.

The coefficient value of 0.815 shows that Audit committee moderating assets tangibility has a positive effect on reporting lag. This indicates that Audit committee moderating assets tangibility positively affect the level of reporting lag of Money Deposit Bank in Nigeria. The probability value of 0.7156 shows that the positive effect Audit committee moderating assets tangibility has on reporting lag of Money Deposit Banks is statistically insignificant. This means that an increase in the moderating role of the Audit committee assets tangibility can positively impact on reporting lag of Money Deposit Banks, but the effect is not significant. Based on the result, the study rejects the alternate hypothesis and accepted the null hypothesis.

H03: Audit committee moderating firm age has no significant effect on reporting lag of Money Deposit Bank in Nigerian.

The coefficient value of 0.016 shows that Audit committee moderating firm age has a positive effect on reporting lag. This indicates that Audit committee moderating firm age positively affect the level of reporting lag of Money Deposit Bank in Nigeria. The probability value of 0.579 shows that the positive effect Audit committee moderating firm age has on reporting lag of Money Deposit Banks is statistically insignificant. This means that an increase in the moderating role of the Audit committee firm age can positively impact on reporting lag of Money Deposit Banks, but the effect is not significant. Based on the result, the study rejects the alternate hypothesis and accepted the null hypothesis.

H04: Audit committee moderating firm size has no significant effect on reporting lag of Money Deposit Bank in Nigerian.

The coefficient value of 0.090 shows that Audit committee moderating firm size has a positive effect on reporting lag. This indicates that Audit committee moderating firm size positively affect the level of reporting lag of Money Deposit Bank in Nigeria. The probability value of 0.8023 shows that the positive effect Audit committee moderating firm size has on reporting lag of Money Deposit Banks is statistically insignificant. This means that an increase in the moderating role of the Audit committee firm size can positively impact on reporting lag of Money Deposit Banks, but the effect is not significant. Based on the result, the study rejects the alternate hypothesis and accepted the null hypothesis.

H05: Audit committee moderating firm growth has no significant effect on reporting lag of Money Deposit Bank in Nigerian.

The coefficient value of 0.2648 shows that Audit committee moderating firm growth has a positive effect on reporting lag. This indicates that Audit committee moderating firm growth positively affect the level of reporting lag of Money Deposit Bank in Nigeria. The probability value of 0.000 shows that the positive effect Audit committee moderating firm growth has on reporting lag of Money Deposit Banks is statistically significant. This means that an increase in the moderating role of the Audit committee firm growth can positively impact on reporting lag of Money Deposit Banks, and the effect is significant. Based on the result, the study rejects the null hypothesis and accepted the alternate hypothesis.

5.1 Summary of Findings

Audit committee moderating performance and company reporting lag

This study finds that the moderating role of Audit committee on performance positively affect the level of reporting lag of Money Deposit Bank quoted in Nigeria Exchange Groups. This finding is like the finding from the study of Alexander et al (2015) who pointed out that firm age and profitability have positive relationship with audit delay but contrary to similar finding from the study of Trimisiu et al (2020) whose finding shows no significant relationship between performance and reporting lag.

Audit committee moderating assets tangibility and company reporting lag

This study finds that the moderating role of Audit committee on assets tangibility positively but insignificantly affect the level of reporting lag of Money Deposit Bank quoted in Nigeria Exchange Groups. This finding shows that audit committee moderating the impact of assets tangibility does not significantly affect the reporting lag of Money Deposit Banks.

Audit committee moderating firm age and company reporting lag

This study finds that the moderating role of Audit committee on firm age positively but insignificantly affect the level of reporting lag of Money Deposit Bank quoted in Nigeria Exchange Groups. This finding shows that audit committee moderating the impact of firm age does not significantly affect the reporting lag of Money Deposit Banks. This finding is similar to the finding from the study of Ehijjiele et al (2018) that evaluates the effect of corporate attributes and timeliness of financial reporting in Nigeria and finds insignificant effect of firm age on reporting lag.

Audit committee moderating firm size and company reporting lag

This study finds that the moderating role of Audit committee on firm size positively but insignificantly affect the level of reporting lag of Money Deposit Bank quoted in Nigeria Exchange Groups. This finding shows that audit committee moderating the impact of firm size does not significantly affect the reporting lag of Money Deposit Banks. This finding is similar to the finding from the study of Alexander et al (2015) who pointed out that firm size has no significant relationship with audit reporting lag.

Audit committee moderating firm growth and company reporting lag

This study finds that the moderating role of Audit committee on firm growth positively and significantly affect the level of reporting lag of Money Deposit Bank quoted in Nigeria Exchange Groups. This finding shows that audit committee moderating the impact of firm growth significantly affects the reporting lag of Money Deposit Banks. This finding is like the finding from the study of In-Mu Haw et al (2006) who evaluates the effect of firm size, reporting lags and market reactions to earnings releases and found out that small companies as a result of more accounting software support and a number of accountants in the company often publish financial statements more quickly that small companies.

5.2 Conclusion

The study concludes that firm audit committee moderating firm attributes positively affects about 42.9 percent of changes in corporate reporting lag among the Money Deposit Bank used in the study. The finding shows that audit committee moderating firm attributes can impact on the level of reporting lag of Money Deposit Bank in the Nigeria Exchange Group. Hence, this study recommends that firms should have an efficient audit committee to boost a strong internal control and accounting system and abide by all the regulations, including accounting standards, so as to reduce auditors' reporting lag.

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Appendix

	FRL	ROA	ASSTAN	FGWT	ACSIZE	FAGE	FSIZE
Mean	*103.7346*	0.404730	0.454617	2.507190	*4.750000*	23.19368	14.08714
Median	*78.00000*	0.688500	0.431500	1.030000	*4.000000*	48.00000	11.44000
Maximum	*117.0000 0*	0.826300	0.654600	4.604800	*6.000000*	76.30000	17.08000
Minimum	*74.00000*	-0.209900	0.248100	0.660000	*4.000000*	7.000000	10.57039
Std. Dev.	*3.633699*	0.335679	0.291670	162.3364	*2.278835*	29.78971	0.518691
Skewness	*17.25309*	-0.518503	0.262088	8.042169	*12.98898*	0.621416	2.148310
Kurtosis	*103.7346*	3.920310	2.577828	207.4672	*3.353545*	3.035314	14.08714
Jarque-Bera	*657965.7*	20.26478	4.775260	449029.1	*492.2544*	16.29611	7.356274
Probability	*0.000000*	0.000040	0.091847	0.000000	*0.000000*	0.000289	0.025270
Sum	123.7389	203.5968	115.0182	3670.320	-79741.87	12952.00	1905.452
Sum Sq. Dev.	12053.77	28.39552	21.43799	6640985.	5.25E+09	223631.5	1203.516
Observations	100	100	100	100	100	100	100

	FRL	**ROA**	**ASSTAN**	**ACSIZE**	**FGRWT**	**AGE**	**FSIZE**
FRL	**1.000000**	**0.025262**	**0.070234**	**-0.006170**	**0.003952**	**0.059775**	**0.082439**
ROA	**0.025262**	**1.000000**	**0.045799**	**-0.087782**	**-0.008413**	**-0.235417**	**0.156060**
ASSTAN	**0.070234**	**0.045799**	**1.000000**	**0.079430**	**0.086287**	**0.185815**	**0.197879**
ACSIZE	**-0.006170**	**-0.087782**	**0.079430**	**1.000000**	**0.006696**	**0.074480**	**0.046593**
FGRWT	**0.003952**	**-0.008413**	**0.086287**	**0.006696**	**1.000000**	**-0.024551**	**0.012048**
FAGE	**0.059775**	**-0.235417**	**0.185815**	**0.074480**	**-0.024551**	**1.000000**	**-0.422676**
FSIZE	**0.082439**	**0.156060**	**0.197879**	**0.046593**	**0.012048**	**-0.422676**	**1.000000**

Cross-section random effects test equation:				
Dependent Variable: FRL				
Method: Panel Least Squares				
Date: 22/10/22 Time: 08:19				
Sample: 2012 2021				
Periods included: 10				
Cross-sections included: 10				
Total panel (unbalanced) observations: 100				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	12.92123	3.447218	3.748344	0.0000
AUCSIZE*ROA	0.451475	0.258744	1.744871	0.0804
AUCSIZE*ASSTA	0.815447	2.234927	0.364865	0.7156

N				
AUCSIZE*FAGE	0.015869	0.028567	0.555518	0.5791
AUCSIZE*FSIZE	0.090438	0.360692	0.250734	0.8023
AUCSIZE*FGRWT	0.264837	0.053241	4.974306	0.0000
	Effects Specification			
Cross-section fixed (dummy variables)				
R-squared	0.492639	Mean dependent var		0.489087
Adjusted R-squared	0.429977	S.D. dependent var		6.916097
S.E. of regression	7.018993	Akaike info criterion		6.849464
Sum squared resid	10937.11	Schwarz criterion		7.282409
Log likelihood	-835.4572	Hannan-Quinn criter.		7.023652
F-statistic	7.755522	Durbin-Watson stat		2.451004
Prob(F-statistic)	0.008681			