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Audit Committee Attributes and Audit Report Lag of Quoted Industrial Companies in Nigeria

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Abstract: *The study investigated audit committee attributes and audit report lag of quoted industrial firms in Nigeria. This study adopted the ex-post facto design in which secondary data were collected from the NSE factbook and financial reports published by selected quoted companies covering eight (8) years from (2012-2019). Descriptive statistics, Ordinary Least Square (OLS), and Hausman test were adopted for the data analysis. From the analytical output, it was observed that audit committee taken as a whole, does not necessarily facilitate speed in the release of audit certified annual financials of firms in this sector. However, decomposing the analysis via a variable silos model reveals that the number of financial experts on the committee and non-executive directors contributes considerably to ensuring the timeliness of audit certified annual financial returns. Therefore, it can be inferred that the compositional characteristics of the audit committee has a bearing on ARL. Following, it is recommended that all members of the audit committee, should be non-executive directors with financial expertise. Furthermore, the framers of the Nigerian Corporate Governance Code should modify the compositional requirements of audit committee to allow for only non-executive directors, knowledgeable in accounting. By virtue of listed firms being public entities, regulators should be allowed via enabling legislation to second or appoint experts to boards whose membership lacks the financial expertise to meet the modified audit committee compositional template.*
Keywords: *Audit report lag, audit committee attributes, industrial goods, financial expert, audit committee size, non-executive director, and audit committee meeting.*

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I. Introduction

Accounting as an information science (Ogoun, 2020), is a means to an end, and not an end in itself. This underlying principle anchors the whole essence of accounting as a means of generating decision-useful financial information. Thus, the entire machinery of the accounting framework is choreographed towards fulfilling this prime function. The relevance of this function is demonstrated by the information gap between users of financial accounting information and the generators of this information, which leads to the information asymmetry or inequity phenomenon. As evidenced by the typologies of various proprietary forms of the business construct, the public property type anchors the essence of this gap. This domain of business leverages various categories of stakeholders who rely on the financial information gateway to make various forms of decisions. The scope of financial information users is widest in the proprietary public type of business ownership. This underscores the need for, not only the reliability of the information content of financial reports but also the timing of their release. Hence, the acceptable attribute count designation of financial information, envisaged by the International Financial Reporting Standards (IFRS), is anchored on the pillars of relevance, reliability, faithfulness, understandability, and comparability.

The relevance attribute designation of financial reports is escalated by uncertainty, as a cardinal attribute of the investment climate. This is given that the degree of uncertainty is contingent on the quality and timing of the information at the disposal of the investor. Investments as expected future-oriented returns from present sacrificial commitments, underscored by a risk factor-the probability that it may not pan out as expected-thrives on the wheels of reliable and timely information. The appropriate environment for undertaking this action, is the availability of past and present financial and market-related information (critically considered) on the particular investment vehicle, alongside other alternatives. This anchor the essence of relevance designated, by faithfulness and timeliness. Abdelsalam and Street (2007), cited in Izilin, Izedonmi, and Peter (2012), posited that timeliness is an essential qualitative characteristic of financial information. Also, Siti and Nazhi (2011) cited in Ozoanigbo, Orjinta, and Ofor (2016), stressed the need for timely release of the audit certified annual returns of firms, as this is an essential attribute of financial reporting. The annual financial performance of public firms needs to be published within a short period from the end of the transaction year, to enable

stakeholders, particularly investors, to guide their choices; otherwise, its relevance will be lost. This fact was also anchored in the work of Aktas and Kargin (2011), who deposed that delay in the release of financial statements, increases uncertainty associated with any investment decision. Also, Owusu-Ansah (2000) and Soltani 2002) deposed that timeliness is a significant characteristic of financial accounting information, as it contributes to eliminating insider trading, leaks, and rumors in emerging capital markets.

The place of timeliness has been accentuated by the rise of the stock market phenomenon, which facilitates the preponderance of the public proprietary model of business ownership. By its operational requirements, participating firms by the vehicle of listing must ensure timeliness in their financial releases to keep the market on. Furthermore, the competitive nature of the stock offerings, also implies that every listed firm must open its books in the public glare for investors to scrutinize and act rationally. Thus, regulators of the stock market endeavour to ensure that annual and quarterly financial reports are released on schedule. Thus, in the Nigerian context, the regulatory agencies such as, the Securities and Exchange Commission (SEC), Nigerian Stock Exchange (NSE), etc. have set statutory maximum time frame, which listed companies are expected to published their annual audit certified financials for each year. It was against this backdrop that the delay in the publishing of the financials gave rise to the NSE, imposing a total of ₦429.5 million in fines, defaulters. Such financial returns as expected is in line with the yearly Gregorian calendar business year ended December 31, 2018, was March 31, 2019. The fines were slammed on 38 companies.

Be that as it may, there are several drivers of the timeliness construct, as the empirical evidence of sanctions of some firms by the NSE demonstrates instances of default. In this regard, one of the core determinants of the overall outlook of a firm is its corporate governance (CG) framework. The essence of CG is anchored on investor protection, as it deals with the overall governance structure of the public firm, framed towards the delivery of its accountabilities. A core of which is the audit certified annual financial returns, as the extant literature is inundated with various studies (Beasley, 1996; Beasley, Carcello, Hermanson & Lapides, 2000; Agrawal, & Chadha, 2005; Abdullah, Ismail, & Jamaluddin, 2008; Kalbers, 2009; Law, 2011; Akeel & Denis, 2012; Giulia & Andrea, 2012; Huang, Zhang, Shen, & Xie, 2013 etc.) that have cemented the incontrovertible role of CG in the reported annual financials of the public firm. Thus, collocating appropriately annual returned financials within the precincts of the CG structure, specifically tied to the audit committee.

The importance of the audit committee in the CG framework has been demonstrated in the extant literature. This is evidenced in the scholarly works that have been undertaken from various perspectives see (Abbott, Parker & Peters, 2000, 2004; Bulchalter & Yokomoto, 2003; Beasley, Carcello, Hermanson & Lapides, 2009; Pearsons, 2009; Mohiduddin & Karbhari, 2010). For instance, Ogoun and Owota (2019) examined the place of audit committee characteristics in fraudulent financial reporting. Furthermore, prior studies that have investigated audit committee mechanism, and audit report lag in Nigeria have centred their empirical works on the financial sector (Efobi & Okougbo 2014; Dabor & Mohammed, 2015; Moses, 2016; Sadiq & Emmanuel 2017; Joseph, Joshua, Terzungwe, Onipe & Ahmed, 2018; Gospel & Ngozi, 2019), leaving out the industrial goods sector firms.

It is premised on the foregoing backdrop in the literature that, this current study interrogates the link between audit committee attributes and audit report lag. Does the attribute designation of audit committees of industrial goods' firms bear on audit report lag in Nigeria?

II. Review of Literature

2.1 Conceptual Clarification

2.1.1 Audit Committee Attributes

The audit committee is an essential part of the governance structure that is saddled with the affairs of financial reporting and disclosure. The Nigeria Code of Corporate Governance 2016, CBN Code of Corporate Governance, emphasizes the establishment of an audit committee that consists of non-executive directors and chaired by an independent director. The statutory roles of the audit committee are encapsulated in section 18 (14) of the National Code of Corporate Governance 2016 and section 359 (3) and (4) of Company and Allied Matter Decree 2004.

The audit committee is a sub-committee within the CG precincts that is focused on ensuring the quality of annual returned financials, as well as the internal control mechanism of the organisation. Often than not, self-regulation for systems operators is a challenge that bedevils the human race. Its ubiquitous nature manifests in various forms of personal exploitative behaviour that is well collocated within the parlance of dysfunctional behaviour. By the very essence of the personal greed gen inherent in humans, the absence of external control (Ogoun, 2020) would leave several human proprietary acts extremely vulnerable to illegal poaching by staffers at all levels. Furthermore, the empirically established agency conflict construct, as manifested in the various instances of corporate scandals, ignited the CG construct as an instrument for safeguarding the public proprietary form of business ownership, given the massive dispersion of both existing and potential shareholders. The works of (Beasley, Carcello, Hermanson & Lapides, 2000; Agrawal, & Chadha, 2005;

Abdullah, Ismail, & Jamaluddin, 2008; Lawrence, 2009; Law, 2011; Akeel & Denis, 2012; Giulia & Andrea, 2012; Huang, Zhang, Shen, & Xie, 2013; Ogoun & Obara, 2013; Ogoun & Atagboro, 2019; Ogoun & Woyengibuomo, 2019), amongst several others, signposts the evidence and menace of this corporate vice.

The extant literature details that the audit committee performs three cardinal functions. These are oversight of the internal control system of the firm, ensuring external audit operations in an unfettered manner and monitoring of the quality of annual financials of the firm. See (Buchalter & Yokomoto, 2003; Law, 2011; Akeel & Dennis, 2012; Ogoun & Owota, 2019) for the essence of the audit committee within the CG framework.

2.1.2 Audit Report Lag

Timeliness of financial reports has been viewed as an essential qualitative characteristic of financial information. Azubike and Aggreh (2014) viewed timeliness of financial statements as the period it takes the company to present its financial reports before the shareholders in the Annual General Meeting after the closing date of such company. In line with the International Accounting Standard Board (IASB 2008) posit that timeliness is the period that the information is made available to the users to make their decision. Thus, the increasing need for financial reports to be presented to the shareholders and other users on time has spurred the national regulatory bodies to recognize the need to set a maximum frame that the audited reports should be made.

Audit report lag simply refers to the timeliness of the release of audit certified annual financial returns. The number of days it takes to complete an external audit on the annual returns of a firm at the end of a financial and to publish the information. From the literature, the whole essence of ARL is anchored on the relevance attribute of financial information. A late information is as good as no information, because its usefulness for the decision scenario has elapsed.

2.2 Theoretical Foundation

The theoretical premise of the study was anchored on the agency and stakeholder theories as an epistemological foundation.

2.2.1 Stakeholder's Theory

The stakeholder theory accentuates the effect of corporate activity on all identifiable interests (stakeholders) of the company. The theory explains that managers should take into consideration the interest of stakeholders in their reporting process. (Givoly and Palmon,1982; Basu,1997; Iyoha, 2012) cited in Ohaka and Akani (2017) defined stakeholders as groups or individuals who are affected by attaining or not attaining the goals of the firm. It details those whose interests are impacted by the overall activities of the firm, thus constituting its immediate and distance constituents. The increasing needs of the stakeholder to have access to the financials have resulted in the pursuit of timely, reliable, and credible financial reports. Chambers and Penman, (1984) suggested that information asymmetry or inequity may arise, either in reporting the good or bad news on a firm's financials.

2.2.2 Agency Theory

The agency theory explains the relationship between the agent and the principal. The principal assigns responsibilities to the agent to oversee the company. Often, contrived by greed (Ogoun, 2020), the agent may exhibit an individualized opportunistic behaviour at the detriment of the principal. The after of such individualized conduct creates a cost to the principal. What Jensen & Meckling (1976) describe as agency costs. Agency theory, as espoused and expounded by Jensen and Meckling (1976) viewed the inability of the principal to directly monitor or control the excesses of the agent, which possibly have an adverse effect, which would lead to agency cost.

Fama and Jensen (1983) posited that the functions of the board of directors are to oversee the majority shareholders and to protect the minority shareholder interest. In trying to employ the services of an external auditor, to audit the financial statements, the auditor is saddled with the task of ensuring that the agent (manager) acts by the principal (shareholders). This anchor the essence of the audit committee.

Hence, shareholders bearing in mind the associated agency costs, expect that the audit committee would facilitate the deliverables of their investments

2.3 Hypothesis Premise

Since its emergence, the CG construct has attracted research efforts from various paradigms. Cascading studies have instigated a decomposed approach to the construct, as researchers have often isolated components of the construct to interrogate in various economic and industrial settings. The outcomes have been quite fascinating and informative. For instance, Izilin, Famous, and Peter (2012) explored corporate governance attributes and timeliness financial reports in Nigeria using a cross-sectional research design. The study used data

from 118 quoted companies on the Nigerian Stock Exchange (NSE). The data gathered was tested using the descriptive statistics and Ordinary Least Square (OLS) regression techniques. Their study found that company size, leverage, profitability, audit firm size, audit delay, all have a positive relationship with the timeliness of financial reporting. Although, none was statistically significant except for audit delay. In contrast, board size and board independence have a negative association with the timeliness of financial reporting. It recommended that regulatory agencies should put in place measures to ensure strict compliance with the laid down rules and regulations. Also, Modugu, Eragbhe, and Ikhatua (2012) investigated the determinants of audit delay in companies in Nigeria, covering twenty (20) quoted companies. The duration of the study was (2009-2011), and the Ordinary Linear Square regression was used to analyse the data. Based on thy study's conclusion, it was recommended that the regulatory agencies look in the cause of audit delay and craft out policies to enforce compliance of the timely release of the audited report.

On their part, Efobi and Okougbo (2014) examined the timeliness of financial reporting in Nigeria using content analysis on the data gathered. The study population was 33 financial institutions within (2005-2008). The data collected were analysed using the Generalized Least Square (GLS) regression method, and their study found that the sampled firms used 122 days after the end of the accounting year in the publishing of their audited financial reports. Their findings showed that the size, leverage, and performance of the firms have a significant negative relationship with the timeliness of financial statements. Also, firm age has a positive and significant bearing on the timeliness of financials. It noted that timely release of the financial reports, is an attribute of individual outcomes. Thus, the individuals that foster the appropriate release of financial statements should not be neglected. Another study by Ilaboya and Iyafekhe (2014) explored corporate governance and ARL in Nigeria using the time series and cross-sectional research design, spanning 2007-2011. Forty (40) quoted manufacturing firms listed on the NSE were drawn as the sample for the study. They observed that board size, audit firm type, firm size had a positive relationship with audit report lag. In contrast, board independence and audit committee size had a negative relationship on audit report lag. They suggested that the government agencies should make rigorous policies and regulations on the timely release of the financial reports and also employ the services of professional accounting bodies to monitor the activities of auditing firms to meet up their engagement.

Azubike and Aggreh (2014) investigated the causes of audit report timeliness of quoted manufacturing in Nigeria, covering a period of 2010-2012. The study adopted a cross-sectional research design. The study was based on 40 firms selected from NSE. The data collected from the annual reports were analysed using the Ordinary Least Squares (OLS) regression technique. The results of their study indicated that board size and board independence were positive and statistically significant to audit report lag. While the audit firm type had a negative relationship with audit report lag. The study recommended that the essence of the timely release of the financial statement was for decision making, and it is the sole responsibility of the various regulatory authorities to ensure that strict compliance is adhered to by all companies.

Similarly, Dabor and Mohammed (2015) examined the impact of corporate governance attributes on audit delay of quoted Nigerian banks. The study adopted the simple random sampling and judgmental sampling technique to select eighteen (18) quoted banks quoted on the NSE. From the analysis, it was study revealed that ownership structure, firm size, balance sheet date, and audit delay had a positive relationship, though not statistically significant. While, firm age and profitability have a positive and statistically significant relationship with audit delay. Also, the Board size shows a negative relationship with audit delay. The researchers further suggested that regulatory bodies should ratify the act that will reduce institutional ownership and the adjustments in their statement of financial position (Balance Sheet) dates starting from January-December to June –July to curtail the rush connected with December.

Mohammed (2015) conducted a study to ascertain the causes of audit lag in financial reporting of quoted companies listed on the NSE, which covered a period of 2012-2013, selected 266 firms across ten (10) industries using a pooled sample and the data gathered were analysed using the regression model. The results revealed that firm size, leverage, and profitability had a positive relationship with audit lag. The researcher suggested that the essence of the timely release of a financial report was to aid the shareholders to make an appropriate investment decision. While, Moses (2016) explored audit committee size on the quality of financial reporting of quoted Nigerian banks, using the correlation research design and the Jones (1991) model, based on data from the annual financial statements of fifteen (15) banks. The Pearson Correlation Statistical tool and linear regression were used to analyse the data. The study found that audit committee size has no significant impact on the quality of financial reporting. The study recommended that the audit committee should be expanded, and the members should have a knowledge of accounting.

Ozoanigbo, Orjinta, and Ofor (2016), investigated the audit committee's effectiveness and timeliness of financial reporting of quoted pharmaceutical companies in Nigeria, using the ex-post factor research design. Premised on the analysed data, the study revealed that audit committee financial experts, audit committee size, and audit committee gender diversity all have a positive relationship, and audit committee independence and financial experts are statistically significant. Their study recommended that the directors of pharmaceutical

firms should improve the effectiveness of their audit committee and ensure that members of the audit committee should have sound financial knowledge. Sadiq and Emmanuel (2017) examined the association between audit committee attributes and financial reporting lag of quoted Nigerian banks using the quantitative and longitudinal research design covering five (5) years (2011-2015). They adopted the simple random sampling tool to select nine (9) quoted banks listed on the NSE. The data were analysed using the descriptive statistic, Ordinary Least Square regression, and Ramsey Reset test. The result deposed that audit committee independence, audit committee meeting, audit committee gender has a positive relationship with financial reporting lag, and the audit committee's independence is statistically significant at a 5% level of significance. In comparison, the Bank size has a negative relationship but statistically significant at a 1% level of significance. They recommended that the management of banks should adopt a mechanism in reducing the number of audit committee non-executive directors for the timely release of the audited report.

Oji and Ofoegbu (2017) investigated audit committee qualities on the financial reporting of quoted companies in Nigeria. They adopted a survey research design, administered 145 structured questionnaires to the administrative staff of quoted companies located in Rivers State, Nigeria. Their result showed that audit committee's independence, audit committee members' qualification, and audit committee monitoring function have a significant and positive effect on the financial reporting of listed firms in Nigeria. They recommended that qualification should be a requirement in the appointment of members into the audit committee, because it will increase the quality of financial reporting. Meanwhile, Joseph, Joshua, Terzungwe, Onipe, and Ahmed (2018) investigated the effect of the audit committee meeting and expertise on financial reporting of listed deposit money banks using the correlational research design. The data for the Fifteen (15) deposit money banks were extracted from the NSE fact book, from 2007-2016, and STATA 13 was used to analysed the data. Their study showed that audit committee meeting on the financial reporting quality of listed deposit money in model 1 has a positive and insignificant relationship. While, in model 2 it has a negative and insignificant relationship. Also, that audit committee expertise on the quality of financial reporting has a negative and insignificant link in model 1. In contrast, in model 2, it has negative and insignificant. The researchers recommended that management of the deposit money banks should ensure that audit committee members should be encouraged to attend meetings regularly, meetings attended by few committee members might affect the quality of contributions and shareholders should ensure that the regulation on audit committee expertise is complied with to enhance the reliability of financial reporting.

Ogoun & Woyengibuomo, (2019) interrogated the effect of chief executive officer (CEO) turnover on ARL and management discretionary lags. The study was based on data of ten firms listed on the floor of the NSE, from 2010-2016. From the outcome of the study, it was observed that CEO turnover contributes to extending ARL, and recommends that further enforcement on retiring or vacating CEOs to ensure that their exit would not impair the timeliness of annual financials. Furthermore, Gospel and Ngozi (2019) examined the link between audit committee characteristics and timeliness of corporate financial reporting in the Nigerian insurance industry from 2012 to 2015. Their study showed that the audit committee meeting frequency had a negative and significant relationship with corporate financial reporting. Secondly, the audit committee's gender and audit committee independence both had a negative but, insignificant relationship with corporate financial reporting. While, audit committee size showed a positive and statistically insignificant link to timeliness in corporate financial reporting. The study suggested that insurance companies need to increase the number of meetings of the audit committee and ensure due diligence on prospective independent and female members of the audit committee.

Furthermore, Ogoun & Owota, (2019) in their work on CG and fraudulent financial Reporting (FFR), the audit committee paradigm, investigated if the compositional attributes of audit committee had any bearing on fraudulent financial reporting. Sample for the study was drawn from the Accounting and Auditing Enforcement Releases (AAERs) issued by the United Kingdom Securities and Exchange Commission (SEC) covering 2014-2019. The matched case-control research model was deployed. From the analytical output, the study concluded that the audit committee compositional disposition has a bearing on FFR. In addition, the recent study by Eze and Nkak (2020) examined the impact of corporate governance and timeliness of audited statements of quoted companies in Nigeria. The study adopted the matched case-control research design, and the data collected were tested using the logit regression model. Their research revealed that audit committee size has a negative relationship with the timeliness of audited reports. In contrast, the audit financial expert has a positive connection with the timeliness of audited reporting. The study recommended that the audit committee of the late filers' firms should learn the process for speeding up audit reports from the audit committee of early filers', and the regulatory authorities should intensify the pursuit of stiffer penalties for defaulters.

From the reviewed empirical extant literature, the various milieu of focal differences in the study of the CG and in specific, the audit committee construct has been examined, signposting the need for the isolation of the industrial goods sector firms for a more industry-specific inquiry. The works of (Efobi & Okougbo 2014; Dabor & Mohammed, 2015; Moses, 2016; Sadiq & Emmanuel 2017; Joseph, Joshua, Terzungwe, Onipe & Ahmed, 2018; Gospel & Ngozi, 2019, Ogoun & Owota, 2019; Ogoun & Woyengibuomo, 2019), did

demonstrate not only the existence of a research gap, but also anchored the essence of audit committee construct in explaining various phenomena within the firm operational domain. Premised on this we hypothesize that audit committee attributes have a bearing on ARL in industrial goods firms in Nigeria.

III. Methodology

The study adopted the ex-post facto design. The choice of the design was because of the pre-research nature of the data. The data were gathered from the NSE factbook and financial reports published by the quoted companies for the study. The study population comprises of eleven (12) industrial companies quoted on the Nigerian Stock Exchange covering eight (8) years (2012-2019). The purposive sampling technique was used in selecting eight (8) quoted companies. The sampled quoted industrial companies were chosen because of the availability of the financial statements for the entire period. These companies are; Dangote Cement, Lafarge Africa Plc, Portland Paints & Product Plc, Berger Paints Plc, CAP Plc, DN Meyer Plc, Cutix Plc, and Premier Paint Plc which enabled the researchers to pick data. The study adopted the Ordinary Least Square (OLS) regression to analyse the data

3.1 Empirical Model Specification

AUDLAG= f (ACFE, ACMEET, ACSIZE, ACNED)

$$AUDLAG = a + \beta_1 acfe + \beta_2 acmeet + \beta_3\ acsize + \beta_4 acned + \mathcal{E}$$

Where, AUDLAG = Audit Report Lag
ACFE = Audit Committee Financial Expert
ACMEET = Audit Committee Meeting
ACSIZE = Audit Committee Size
ACNED= Audit committee Non-Executive Director,

Table 1: Variable Measurement

Variable Acronym	Measurement
I	company 1 through 8;
Ɛ	The residual term
A	Constant
Β	Coefficient
Dependent Variable	
Audit Report Lag	Numbers of days it takes a firm to submit the audited report;
Independent Variables:	
Acsize	the size of the audit committee defined as the number of members of the committee;
Acmeet	number of the audit committee meeting in a year*;*
Acned	the percentage of non-executive directors in the audit committee;
Acfe	members in the audit committee who has financial expertise;
Moderating Variables	
Big4	Professional Audit firm that audit the financial report of clients;

Source: *Researchers' Computation, 2020.*

IV. Research Data and Outputs

Table 2: Descriptive Statistics

Variables	Mean	Min	Max	Std. Dev
Audlag	89.93	0	218	47.23
Acfe	0.847	0	2.0	0.493
Acned	1.750	0	4.0	1.147
Acsize	5.22	0	7.0	1.745
Acm	2.666	0	6.0	1.876
Big4	0.430	0	1.0	0.498

Source*: Researchers' Computation, 2020*

From table 2, ARL (Audlag) had a mean value of 89.93, with minimum and maximum values of 0 and 218 days, respectively. This implies that the audit report lag of the companies examined stood at an average of 90 days, with a minimum of 0 days and a maximum of 218 days. The audit committee financial expert (acfe) had a mean value of 0.847, with minimum and maximum of 0 and 2. This implies that at least two members in

the committee should have sound financial knowledge. Meanwhile, the audit committee non-executive director had a mean of 1.750, which means that 75% on the audit committee should be Non-executive directors. While, 25% are shareholders.

Similarly, the mean value of the audit committee size is 5.22 (5 members) with a minimum 0 and a maximum of 7 members. The audit committee meeting (acm) had a mean of 2.66, with minimum and maximum values of 0 and 6. This implies that the committee meets like six times. Finally, the audit type (Big4) with a mean value of 0.43 indicating that 43% of the sample companies were audited by the Big4 i.e., Audit firm affiliated internationally. While, 57% were audited by local audit firms. This implies that only big companies hired the services of reputable and experienced audit firms.

Table 3: Ordinary Least Square Regression

Dependent Variable	**Independent Variable**	**Coefficient**	**Std. Error**	**t-Statistic**	**Prob.**
Audlag	Constant	91.26631	18.38687	4.963668	0.0000
	Acfe	7.875440	11.32778	0.695232	0.4894
	ACNED	20.03718	5.344665	3.749006	0.0004
	ACM	-5.127477	3.094157	-1.657149	0.1022
	BIG4	-12.96339	11.26596	-1.150669	0.2540
	ACSIZE	-4.560958	3.209932	-1.420889	0.1601
R-squared	0.195133	Adjusted R-squared	0.134158	F-statistic	3.200225
Prob(F-statistic)	0.011996	Durbin-Watson stat	1.410693		

***Source**: Researchers' Computation, 2020*

Table 3 examines the coefficients of the explanatory variables, the respective t-ratios reported, and the probability. The value of R that is the correlation coefficient stood at 0.195 (20% moderately). Similarly, the coefficient of determination (R^2), which stood at 0.134, indicating that over 13% of the total variations in the dependent variable (audlag) were explained by the independent variable, while about 87% of the causative variables were unexplained by this model. The overall F-statistics (goodness-of-fit test) capable of prediction stood at a value of 3.200, while the Durbin Watson statistic stood at 1.410, indicating the absence of serial correlation.

Table 4: Hausman Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section and period random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.624440	5	0.9869
Period random	6.419661	5	0.2675
Cross-section and period random	3.395833	5	0.6392

** WARNING: estimated period random effects variance is zero.

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
ACFE	5.513209	7.018410	17.294207	0.7174
ACM	-4.936729	-5.044798	0.727176	0.8992
ACNED	22.021696	20.762059	3.191445	0.4807
BIG4	-18.298010	-14.678480	48.270058	0.6024
ACSIZE	-5.296605	-4.837105	1.896280	0.7386

***Source**: Researchers' Computation, 2020*

The Hausman test above was used to test the Fixed/Random Effects and to ascertain the appropriate model. The null hypothesis represents the Random Effects Model at (p>0.05%), while the alternative hypothesis represents the Fixed Effects model at (p<0.05). From the result above, the p-value of (0.9869), which is greater than 0.05%, it is clear that the Random effect model is a better model than the Fixed effect model. Therefore, it can be concluded that the Random Effects Model is an appropriate model for the above relationship.

Thus, from the aggregate inferential statistical output, as indicated by the R^2 and adjusted R^2 values, there exist a weak but statistically significant relationship between audit committee attributes and audit report lag. However, when disaggregated to variable silos, from the OLS statistical output, the following inferences are deduced via decomposition:

1. That audit committee financial experts (acfe) had a positive and significant bearing on audit report lag. This implies that an increase in the number of financial experts on the committee would have a considerable effect on enhanced timeliness of audit certified annual financial returns, invariably reducing ARL,
2. That number of audit committee non-executive director (acned) had a positive and significant relationship with audit report lag. This infers that with more non-executive directors on the audit committee, the faster the time it will take to ensure the release of the audit certified annual financials,
3. That the number of the audit committee meetings (acm) has a negative but statistically significant relationship with ARL. This means that the frequency of meetings does not necessarily translate to reduced ARL, and
4. Audit committee size (acsize) has a negative relationship but statistically insignificant relationship with ARL. In essence, the size of the committee does not have any influence on the reduction of ARL.

V. Conclusion, Implication and Recommendations

The study investigated audit committee attributes and audit report lag in the industrial goods manufacturing sector of firms trading on the floor of the NSE. This was against the background that, most of the prior studies were either overtly aggregated, or directed at the non-industrial sector. From the analytical output, it was observed that the audit committee, taken as a whole, does not necessarily facilitate speed in the release of audit certified annual financials of firms in the industrial goods sector. However, decomposing the analysis via a variable silos model, reveals the number of financial experts on the committee and non-executive directors contributes considerably to ensuring the timeliness of audit certified annual financial returns.

Based on the foregoing, it can be inferred that the compositional characteristics of the audit committee has a bearing on ARL. The implication from the aggregate inference and the decomposed variable silos is indicative of inherent strengths and weaknesses in the dimensions relative to ARL. Hence, the way the team is composed can influence the timing of the release of annual financials and by extension the quality of such released financials. This is because financial expertise of the membership, implies capacity for better scrutiny of the numbers and the rationale behind any presentation. Obviously, committee members with expertise in the accounting number games and the reasoning behind it constitute an enormous advantage than non-knowledgeable members, who would simply be overwhelmed by the number games. They will lack the ability to apprehend the facts behind the figures. It is a lot easier to mesmerize a non-accounting expert with the accounting number games, than a fellow expert. Furthermore, given that non-executive directors are non-participating members in the management of the entity at managerial levels, but are critical stakeholders, their level of curiosity to interrogate the accounts will be higher. Where they are not compromised by way of illegal perks, as the first line of defence for the majority of the minority shareholders, their curiosity level and coupled with financial expertise is very likely to mitigate not just ARL, but also earnings manipulation by management.

Following, it is recommended that all members of the audit committee should be non-executive directors with financial expertise. Furthermore, the framers of the Nigerian CG codes should modify the compositional requirements of the audit committee, to allow for only non-executive directors, knowledgeable in accounting. By virtue of listed firms been public entities, regulators should be allowed via the enactment of enabling legislation to appoint external members with expertise on to boards whose membership, lacks the financial expertise to meet the modified audit committee compositional template. This preceding recommendation is anchored on the fact that government should be proactive at preventing corporate collapse via pre-emptive mitigating actions, as opposed to the adoption of post mortem remediations.

Thus, this research contributes to strengthening the existing literature on CG, as well as highlighting the imperative for adjusting the CG framework towards protecting the majority of shareholders, who hold a minority stake. This majority-minority right needs protecting, to continue to accentuate the public firm proprietary rights business model, as well as ensuring the growth of the capital and stock markets via enhanced investor confidence.

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