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# Audit committee characteristics and timeliness of financial reporting of listed oil and gas companies in Nigeria

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<sup>1</sup>Naja'atu Bala Rabi, <sup>2</sup>Francis Oche,  
<sup>3</sup>Maimuna Adamu Salihu, and <sup>\*</sup>Moses Babatunde Olanisebe

<sup>1-3</sup>Bayero University, Kano, Kano State, Nigeria.

<sup>4</sup>University of Maiduguri, Borno State, Nigeria.

<sup>\*</sup>Corresponding Author: [walemose@gmail.com](mailto:walemose@gmail.com)



## ABSTRACT

This study examines the relationship between audit committee characteristics and timeliness of financial reporting of listed oil and gas companies in Nigeria for a period of seven (7) years (2015-2021). Seven (7) companies are sampled to represent the entire population of the study using simple random sampling technique. The data obtained from the reports and accounts of the sampled companies were analyzed using descriptive statistics, correlation and poisson regression analysis. The results show that audit committee size and audit committee independence have significant positive impact on timeliness of financial reporting of listed oil and gas companies in Nigeria while audit committee meeting has significant negative impact on timeliness of financial reporting of listed Oil and Gas companies in Nigeria. The study recommended that listed oil and gas companies in Nigeria should increase their audit committee size and audit committee independence so as to have timely financial reports. However, they should reduce the frequency of their audit committee meetings to ensure timely financial reporting.

**Keywords:** Audit Committee, Timeliness, Financial Reporting, Oil and Gas Companies in Nigeria

## 1. INTRODUCTION

Audit committee in an organization is appointed by the board of directors to assist the board in fulfilling their oversight responsibility to stockholders, potential stockholders, the investment community and others relating to the institution's financial statements and the financial reporting process, the systems of internal

accounting and financial controls, the internal audit function, the annual independent audit of the institution's financial statements, the independent auditors' qualifications and independence and the legal compliance and ethics programs as established by management and the board. In so doing, it is the responsibility of the audit committee to maintain free and open communication between the audit committee, the independent auditors, the internal auditors and management of the company (Salehi et al., 2016).

Audit committees are identified as effective means for corporate governance that reduce the potential for fraudulent financial reporting. They can be very effective not only in providing objective oversight of the accounting of an organization, but also in helping to set an ethical standard. Corporate governance includes relationships and accountability of the organization's stakeholders, as well as the laws, policies, procedures, practices, standards, and principles which may affect the organization's direction and control (Cadbury, 1992). It also includes reviewing the organization's practices and policies in regard to the ethical standards and principles, as well as the organization's compliance with its own code of conduct. As a corporate governance monitor, the audit committee should provide the public with correct, accurate, complete, and reliable information, and it should not leave a gap for predictions or uninformed expectations (BRC, 1999).

The Sarbanes Oxley Act of the United States defines an audit committee as "a committee established by and amongst the board of directors of an issuer for the purpose of overseeing the accounting and financial reporting processes of the issuer and audits of the financial statements of the issuer" (United States of America, 2002). It forms part of the governance structure of an entity and is arguably the most important and challenging sub-committee of any board of directors. Cadbury's committee report on the financial aspects of corporate governance concluded that an audit committee "has the potential to improve the quality of financial reporting by reviewing the financial statements on behalf of the board" (Cadbury Committee Report, 1992). According to Wong (2012) the main role of an audit committee in any organization is to assist the board or a departmental head in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process, and the organization's process for monitoring compliance with laws and regulations. To perform its role an audit committee must be established and be empowered with the authority to perform its duties.

The core objective of financial reporting is to provide high-quality financial reporting information concerning economic entities, primarily financial in nature, useful for economic decision making. Financial statements are a structured representation of

the financial position and financial performance of an entity. Financial statements also show the results of the management's stewardship of the resources entrusted to it (IAS 1). The usefulness of published corporate reports depends on their accuracy and their timeliness. The timeliness means presenting the financial accounting information for its users when they need it. This is because the information loses its benefit, if it is not available when it is needed. Timeliness of accounting information is essential for the financial report's users because they require current information to make predictions and constructive decisions (Zeghal, 1984).

The quality of financial reports depends in part upon the frequency and timeliness of reporting (Miller & Bahnsen, 1999). Timely disclosure and presentation of information improves the image of corporate bodies because they reflect managerial efficiency and effectiveness (Joshi, 2005). The importance of timeliness is further supported by the research of Abdulla (1996), who suggested that a shorter time between the financial year-end and publication date is more beneficial for users. Furthermore, Leventis et al. (2005) assert that in emerging market economies, timeliness in reporting of otherwise non-publicly available financial statement information remains, for the most part, the only means by which outside shareholders and investors keep themselves informed of the firms' performance. In the present economic scenario, this concern for timely reporting becomes more acute as emerging market economies face greater uncertainties as they combat the ongoing global financial crisis. Therefore, as noted by Jaggi and Tsui (1999), it will be beneficial to both international and domestic investors in understanding the causes of delays in the release of audit reports in the context of an emerging economy.

Financial reporting timeliness refers to the number of days taken from the end of the financial year of the organization to the date its financial statements are published. Iyoha (2012) documented that in Nigeria, it takes on average for conglomerate sector 119 days after the accounting year end to present its financial statement to the users, for food and beverage sector, 144 days, for agricultural sector, 96 days, for health sector, 145 days, 82 days for deposit money banks and 153 days for insurance sector. According to Abdullah (2007) providing the annual reports in a timely manner is not only a matter of satisfying the legal requirements; it is a matter of responsibility. This is because an annual report has become the main source of corporate information. In the same vein, timeliness of financial report must be accompanied with accuracy and relevance.

In Nigeria, the need for high quality and timely financial information has become particularly 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.

Timeliness of financial reporting is regulated by the Companies and Allied Matters Act (CAMA) of 2020 as amended which prescribes the format and content of company financial statements and disclosure requirements in details. It is required that financial statements comply with the Statement of Accounting Standards (SAS) issued by the Nigerian Accounting Standards Board (NASB) (now referred to as the Financial Reporting Council of Nigeria, FRCN) and that the audit be carried out in accordance with Generally Accepted Auditing Standards (GAAS). It further requires the submission of audited financial statements to the Corporate Affairs Commission (CAC) 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. Also, the Investments and Securities Act of 1999 provides that audited financial statements must be filed with the Security and Exchange Commission (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 Investments and Securities Act requires every market participant to maintain accurate and adequate records of its affairs and transactions, but it does not specify the standards to follow in preparation of financial statements, as companies have to comply with CAMA requirements.

Several studies have been conducted on audit committee characteristics and timeliness of financial reporting and most posit that audit committee characteristics have effect on financial reporting timeliness. Most of the studies were on developed economy while few studies were conducted in emerging economy. Among the studies conducted include; Akinleye and Aduwo (2016), Alqaraleh and Nour (2016), Abdullahi et al. (2017), Odjaremu, and Jeroh (2017), Chukwu and Nwabochi (2019), Kalbars and Fogerty (2019), Aifuwa and Saidu (2020), Edosa and Monye-Emina (2022), Yahaya et al. (2022) and Edeh et al. (2023). Therefore, research on audit committee characteristics is equally needed if not relevant for a developing economy like Nigeria.

The researcher choose the sector because oil and gas industry dominates the world economy in terms of financial figures, unlimited potentials as raw material, global

economy development and international politics and touches the lives of people in any more ways, anywhere on earth and as such remain attractive to actual and potential investors which makes the demand for timely financial reporting high. Thus, the intent of the study is to examine the impact of audit committee characteristics on the timeliness of financial reporting of listed oil and gas downstream companies in Nigeria for a period of seven years from the year 2015 to the year 2021. It is clear that previous studies at local level do not pay attention to relationship between audit committee characteristics and timeliness of financial reporting of listed oil and gas companies in Nigeria, very few studies have used theory of inspired confidence to explain the relationship between audit committee characteristics and timeliness of financial reporting and also no study in Nigeria has used Poisson regression which is the best technique for count data (timeliness).

## 2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

### Audit committee Size and Timeliness of Financial Reports

Prior research conducted within and outside of Nigeria have found that the independence of audit committees has a favorable impact on timeliness of financial reports. Adebayo and Adebisi (2016) investigated the timeliness of financial statements among the Deposit Money Banks in Nigeria capital market; sample of 15 DMBs listed by the Nigeria Stock Exchange between 2005 and 2013. Ordinary Least Square (OLS) result showed that audit size has significant effect in determining timeliness. This is consistency with the findings of Odjaremu and Jeroh (2017) and Hudayati et al. (2022).

Contrary to above findings, Yadirichukwu and Ebimobowei (2012) examined the effect of audit committee and timelines of financial reports for thirty five firms quoted in the Nigerian Stock Exchange (NSE) for the period of 2007-2011. The data for the study were collected from the annual reports and accounts. The collected data were analyzed using relevant diagnostic tests, pooled least square and granger causality test. The result suggests that Audit Committee Meeting (ACM) is not significantly related to timeliness of financial reports. This is in line with findings of Chukwu and Nwabochoi (2019), Kalbars and Fogerty (2019) and [Syofyan](#) et al. (2021). As a result of the above, researchers anticipated that audit committee size will have a major impact on timeliness of financial reports. Thus, the first hypothesis is formulated as followed:

***H0<sub>1</sub>: Audit committee size has no significant relationship with the timeliness of financial reporting of listed oil and gas companies in Nigeria.***

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## Audit Committee Independence and Timeliness of Financial Reports

Aifuwa and Saidu (2020) examined the impact of audit committee attributes on the timeliness of corporate financial reporting in Nigeria. A sample of one hundred and sixteen (116) listed firms on the Nigerian Stock Exchange for a period of two-years (2017-2018). The study used descriptive and inferential statistics to summarize and draw inference on the population studied. The result from the Robust least squares regression revealed that audit committee independence and female directors in the audit committee reduces audit report lag, thus increases the timeliness of financial reporting. More so, Alqaraleh and Nour (2016) examined the impact of the audit committee on the timeliness of the annual financial reports in Jordanian companies listed in the Amman Stock Exchange. The study used correlational research design. The data were collected from the published annual financial reports of 172 companies listed in Jordan for the duration between 2014 and 2016. The result showed that there is a positive and significant relationship between audit committee (audit committee independence, audit committee meeting and audit committee size) and timeliness of financial reports. This result is in line with the results of Yadirichukwu and Ebimobowei (2012), Alshrife et al. (2013) and Odjaremu and Jeroh (2017).

On the other hands, Edosa and Monye-Emina (2022) assessed the impact of audit committee characteristics on timeliness of financial reports in Nigeria. The study employed correlation research design using the annual report of thirteen (13) listed DMBs in Nigeria for a period of five-years (2016-2020). Timeliness of financial reports was measured as a categorical variable that assumed the value of one (1) for banks that released their annual report within the 90 days stipulated by the regulatory agency and zero (0) for those that fail to meet this requirement. Audit committee independence was measured using proportion of independent non-executive directors on audit committee; audit committee meeting was measured using number of meetings held in a year; audit committee financial expertise was measured using the proportion of members who have accounting or financial management knowledge while audit committee gender diversity was measured using the number of women on the board. The data for the study were analyzed using descriptive statistics, Pearson correlation and binary logit regression technique. The results show that audit committee meeting has a statistically significant relationship with timeliness of financial reports and the relationship was negative. Other audit committee attributes did not have any significant relationship with timeliness of financial reporting. The insignificant impact of audit committee independence on timeliness of financial reports has been documented by Abdullahi et al. (2017).

The audit committee with more frequent meetings will have more time to oversee the process of the financial reporting of the business. The frequency of meetings signals the efficiency of the oversight committee's role and the credibility of the information provided. Hence, the second hypothesis is developed in Null form as follow:

*H0<sub>2</sub>: Audit committee independence has no significant relationship with the timeliness of financial reporting of listed oil and gas companies in Nigeria.*

### **Audit Committee Meeting and Timeliness of Financial Reports**

The number of the audit committee meetings is crucial in ensuring its oversight roles in companies, leading to timely submission of audited financial statements. Several studies have been conducted on the impact of audit committee meeting on timeliness of financial reports locally and international and documented mixed results. Akinleye and Aduwo (2016) examined the effect of audit committee effectiveness on the timeliness of financial reporting in Nigeria using listed companies in the food and beverages industrial sector of Nigeria economy. The period under review spans from 2011-2015. Data collected were analyzed using both descriptive and inferential methods of statistical analysis. The study concluded that a proportional increase in frequency of meetings will increase timeliness of financial reporting.

In the same vein, Ozoanigbo et al. (2016) empirically investigated the effects of audit committee effectiveness on the financial reporting timeliness of companies quoted under the pharmaceutical industry in the Nigeria. The study employed correlation analysis and Ordinary Least Square regress and their result indicated that audit committee effectiveness has positive and significant on the financial reporting timeliness of companies quoted under the pharmaceutical industry. Furthermore, the authors' finding indicated that 64% changes in financial reporting timeliness were caused by audit committee effectiveness. This result is in line with findings from Chukwu and Nwabochi (2019), Kalbars and Fogerty (2019), [Syofyan](#) et al. (2021) and Hudayati et al. (2022).

The empirical study of Yadirichukwu and Ebimobowei (2012) who examined the effect of audit committee and timelines of financial reports for thirty five firms quoted in the Nigerian Stock Exchange (NSE) for the period of 2007-2011. The data for the study were collected from the annual reports and accounts. The collected data were analyzed using relevant diagnostic tests, pooled least square and granger causality test. The result suggests that Audit Committee Meeting (ACM) is not significantly related to timeliness of financial reports. This is in line with finding of Tayo et al. (2019) and Aifuwa and Saidu (2020). Base on the above findings,

researchers anticipated that audit committee meeting may influence timeliness of financial reports. Thus, the third hypothesis is formulated as followed:

*H0<sub>3</sub>: Audit committee meeting has no significant relationship with the timeliness of financial reporting of listed oil and gas companies in Nigeria.*

## Theoretical Review

### *Theory of Inspired Confidence*

This theory also known as the theory of rational expectations was developed in the late 1920s by Dutch professor Theodore Limperg (Hayes et al., 1999). It was advanced to addresses both the demand and the supply for audit services. Stakeholders of an entity demand accountability from the management, in return for their investments. Accountability is realized through the issuance of periodic financial reports which are subjected to independent opinion of the external auditor. However, since this information provided by the management may be biased and outside parties have no direct means of monitoring, audit committees should therefore be the first line of assurance towards inspiring confidence in the quality of financial statements. An audit is required to assure the reliability of this information.

The audit committee and the external auditor should therefore act in such a way that they do not disappoint the expectations of a rational outsider, while, on the other hand, the auditor should not arouse greater expectations in his report than his examination justifies. So, given the possibilities of audit technology, the auditor should do enough to meet reasonable public expectations the least of which is giving an independent opinion on the reliability of the financial statements he so audits (Solomon, 2007). This will inspire confidence to the owners of capital as well as other stakeholders especially if the auditor through his unqualified opinion confirms that the financial statements are of high quality.

According to this theory, audit committees should be the first line of assurance towards inspiring confidence in the quality of financial statements. The theory is further relevant because having properly functioning audit committees will inspire confidence to all shareholders and general public about the credibility of the financial reports and in effect create confidence in the organization. Hence, the inspired confidence theory is adopted because it explains the subject matter of the study as it seek to address both the demand and the supply for audit services, it deduced that stakeholders of an entity demand accountability from the management, in return for their investments, and accountability is realized through the issuance of periodic financial reports which are subjected to independent opinion of the external auditor.

### 3. METHODOLOGY

The research design adopted for the study is ex-post facto which implies the use of annual reports and accounts. Ex-post facto research design involves ascertaining the impact of previous factor(s) on the current happening or event. This design is adopted as it suits the objective of the study, which is to examine the relationship between audit committee characteristics and timeliness of financial reporting of listed oil and gas companies in Nigeria. The population of the study consists 10 oil and gas companies listed on the Nigerian Stock Exchange as at 31 December, 2021. Table 1 presents the population and sample size for the study.

**Table 1**  
**Population and Sample of the Study**

S/No.	Name of Companies	Year of Listing	Sample
1	<a href="#">Forte/Ardova Oil Plc.</a>	1978	1
2	<a href="#">Capital Oil Plc.</a>	1999	Nil
3	<a href="#">Conoil Plc.</a>	1989	2
4	<a href="#">Eterna Plc.</a>	1998	3
5	<a href="#">Japaul Oil &amp; Maritime Services Plc.</a>	2005	4
6	<a href="#">Mrs Oil Nigeria Plc.</a>	1978	5
7	<a href="#">Oando Plc.</a>	1992	Nil
8	<a href="#">Rak Unity Pet. Comp. Plc.</a>	1987	Nil
9	<a href="#">Seplat Petroleum Development Company Ltd</a>	2014	6
10	<a href="#">Total Nigeria Plc.</a>	1979	7

**Source:** Nigerian Exchange Group Website as at 31<sup>st</sup> December, 2022

For a company to qualify as sample for the study, the following criteria were established: (i) the firm must have been in operation for the whole periods of study (2015-2021), (ii) the firm must remain quoted without being delisted between the periods covered, and (iii) the firm must have complete financial report and accounts for the period under study. As a result of these three filters, the number of the companies in the population was reduced to seven (7) out of the ten (10) listed on the NSE. The three companies were not meeting the third criteria because their annual financial reports were not complete. Hence, the study obtains and utilizes firm specific data obtained from the published annual financial reports and account of the sampled firms. The data obtained covers the period between 2015 and 2021.

**Table 2**  
**Summary of the Variables of the Study and their Measurements**

Variable	Abbreviation	Measurement	Source
Timeliness Financial Reporting	TFR	Number of days between the year-end and the date the auditor signs the audit reports.	Chukwu and Nwabochi, (2019), Aifuwa and Saidu (2020), Saminu et al. (2020), Edosa and Monye-Emina (2022), Hidayati et al. (2022), Yahaya et al. (2022) and Edeh et al. (2023).
Audit Committee Size	ACS	Total number of members in the audit committee.	Alsharif and Wan (2016) and Hidayati et al. (2022).
Audit Committee Independence	ACI	Number of non-executive members (directors) in the audit committee.	Adeyemi and Okpala (2011), Aifuwa and Saidu (2020) and Edosa and Monye-Emina (2022).
Audit Committee Meeting	ACM	Total number of meetings held by the audit committee in the financial year	Chukwu and Nwabochi (2019) and Aifuwa and Saidu (2020) and Hidayati et al. (2022).
Firm Size	FS	Natural Log (Total Assets)	Chukwu and Nwabochi (2019), Saminu et al. (2020) and Edosa and Monye-Emina (2022) and Yahaya et al. (2022).
Leverage	LEV	Total Liabilities/Total Assets	Adebayo and Adebisi (2016), Hidayati et al. (2022) and Edeh et al. (2023).
Profitability	ROA	Net profit after tax divided by total assets of the firm	Adebayo and Adebisi (2016), Saminu et al. (2020) and Edeh et al. (2023).
Firm Age	FA	Measured as current year less the year of listing	Adebayo and Adebisi (2016) and Edeh et al. (2023).

**Source:** Author (2023)

### Techniques of Data Analysis

The techniques for analyses used in this study include descriptive statistics, correlation analysis and Poisson regression. All analyses are done with STATA version 14.2. Poisson regression is a generalized linear model form of regression analysis used to model count data and contingency tables. Poisson regression assumes the response variable Y has a Poisson distribution and assumes the logarithm

of its expected value can be modeled by a linear combination of unknown parameters (Jusoh et al., 2021). For the purpose of this study, the researcher employs Poisson regression as a tool of analysis. The model of the study is given below:

$$TFR = f(ACS, ACI, ACM, FS, LEV, ROA \text{ and } FA) \dots\dots\dots (i)$$

$$TFR_{it} = \beta_0 + \beta_1 ACS_{it} + \beta_2 ACI_{it} + \beta_3 ACM_{it} + r_1 FS_{it} + r_2 LEV_{it} + r_3 ROA_{it} + r_4 FA_{it} + e \dots (ii)$$

Where:

$TFR_{it}$  = Timeliness of financial reports for company i in time t

$ACS_{it}$  = Audit committee size for company i in time t

$ACI_{it}$  = Audit committee independence for company i in time t

$ACM_{it}$  = Audit committee meeting for company i in time t

$FS_{it}$  = Firm size for company i in time t

$LEV_{it}$  = Leverage for company i in time t

$ROA_{it}$  = Return on assets for company i in time t

$FA_{it}$  = Firm age for company i in time t

$\beta_0$  = Constant

e = error term

$\beta_1 - \beta_3$  = Coefficient of independent variables

$r_1 - r_4$  = Coefficient of control variables

## 4. RESULT AND DISCUSSION

### Descriptive Statistics

This subsection provides descriptive statistics result of the data generated in STATA on dependent and explanatory variables of the study. It presents the summary of the collected data of both dependent and explanatory variables. Table 3 presents the descriptive statics for the dependent and explanatory variables below.

**Table 3**  
**Descriptive Statistics**

Variables	Obs.	Mean	Std. Dev.	Min	Max
TFR	49	97.73469	37.11232	28	187
ACS	49	5.693878	0.7417345	4	6
ACI	49	0.3642857	0.1159562	0	0.5
ACM	49	3.959184	0.7059032	3	6
FS	49	7.801827	0.6272449	5.7366	9.2051
LEV	49	0.8360735	0.8772056	0.3664	6.6864
ROA	49	0.0261775	0.2846753	-0.5576	1.7627
FA	49	41	16.83746	6	65

**Source:** Generated by the Researcher using STATA 14.2 based on the data in appendix 1

Table 3 above shows that timeliness of financial reporting of the firms has an average of 97.73 days with a minimum and maximum of 28 days and 187 days respectively. The standard deviation value of 37.11 indicates a very high variation in the timeliness of financial reporting of oil and gas companies listed in the NSE. The mean proportion of audit committee size is 5.6939 with a minimum and maximum of 4 and 6. The standard deviation of 0.7417 shows a high change in the audit committee size of the companies. Also, audit committee independence has a mean of about 0.3643 and minimum and maximum of 0 and 0.5 respectively, with a standard deviation of 0.1160 which indicates a low variation in the audit committee independence of the companies. Furthermore, audit committee meeting has a mean of 3.9592 with a minimum and maximum of 3 and 6 respectively with standard deviation of 0.7059 indicating a high change in the audit committee meeting of the companies.

In the same vein, firm size also has a mean of about 7.8018 and minimum and maximum of 5.7366 and 9.2051 respectively with a standard deviation of about 0.6272 which indicates a high deviation in the firm size of the companies. Leverage also shows a mean of about 0.8361 with a minimum and maximum of 0.3664 and 6.6864 respectively while the standard deviation is 0.8772 which shows no variation in the leverage of the listed companies. Similarly, return on assets shows a mean of about 0.0262 with a minimum and maximum of -0.5576 and 1.7627 respectively while the standard deviation is 0.2846753 indicating a low deviation in return on assets of the listed companies. Finally, the result shows that firm age has a minimum and maximum of 6years and 65years with a mean of 41 years and standard deviation of 16.83746 which indicates a very high variation in the firm age of the companies.

### Correction Result

**Table 4**  
**Correlation Result**

Var.	TFR	ACS	ACI	ACM	FS	LEV	ROA	FA
TFR	1.0000							
ACS	-0.0908	1.0000						
ACI	0.0436	-0.1976	1.0000					
ACM	-0.2326	0.5725	-0.1047	1.0000				
FS	-0.2072	0.1294	0.1615	-0.0463	1.0000			
LEV	-0.0252	-0.0053	-0.0601	0.1369	-0.0313	1.0000		
ROA	0.1398	-0.0809	0.0404	-0.0549	0.0403	-0.0657	1.0000	
FA	0.1278	0.1201	-0.0616	0.0701	0.0711	0.1143	0.0312	1.0000

**Source:** Generated by the Researcher using STATA 14.2 based in the data on appendix 1

Table 4 shows the result of correlation analysis of timeliness of financial reporting and the explanatory variables. The result shows that ACS, ACM, FS and LEV have

negative relationship with timeliness of financial reporting while ACI, ROA and FA have positive relationship with timeliness of financial reporting of the listed oil and gas companies.

### Poisson Regression Analysis

This sub-section presents the Poisson regression analysis result that is used in examining the relationship between the explanatory variables and the dependent variable that would help in testing the hypotheses.

**Table 5**  
**Regression Result**

TFR	Coef.	Std. Error	z-statistics	P> z
ACS	0.0660158	0.0255595	2.58	0.010
ACI	0.2595826	0.1339558	1.94	0.053
ACM	-0.1666019	0.0261539	-6.37	0.000
FS	-0.1729315	0.0258242	-6.70	0.000
LEV	0.001236	0.0182766	0.07	0.946
ROA	0.1402286	0.0437525	3.21	0.001
FA	0.00401	0.0009449	4.24	0.000
Constant	5.940106	0.2188787	27.14	0.000
LR chi2	107.95			
Prob> chi2	0.0000			
Pseudo R2	0.1108			
Log likelihood	-433.25666			

**Source:** Generated by the Researcher using STATA 14.2 based on the data on appendix 1

Table 5 presents the Poisson regression result of timeliness of financial reporting and the explanatory variables. From the table, the result shows that audit committee size has significant positive impact on timeliness of financial reporting (at 1% level of significance) with a coefficient value of 0.066 and P-value of 0.010. The result also shows that audit committee independence has significant positive impact on timeliness of financial reporting (at 5% level of significance) with a coefficient of 0.259 and P-value of 0.053. The result also revealed that there is a significant negative relationship between audit committee meeting and timeliness of financial reporting (at 1% level of significance) with a coefficient of -0.167 with P-value of 0.000.

Furthermore, the result also indicates that there is a significant negative relationship between firm size and timeliness of financial reporting (at 1% level of significance) with coefficient of -0.173 and P-value of about 0.000. Leverage has insignificant positive relationship with timeliness of financial reporting with coefficient of 0.001

and P-value of 0.946. Return on assets has significant positive relationship with timeliness of financial reporting (at 1% level of significance) with coefficient 0.140 and P-value of 0.001. Firm age has significant positive relationship with timeliness of financial reporting (at 1% level of significance) with coefficient of 0.004 and P-value of 0.000. From the Table 5 the Poisson Pseudo  $R^2$  is 0.1108 (greater than 1), which means the explanatory variables (ACS, ACI, ACM, FS, LEV, ROA and FA) are likely to predict the outcome of the dependent variable (TFR). The log likelihood is -433.2567.

## Hypothesis Testing

**Table 6**  
**Summary of the Tested Hypotheses**

Hypotheses	Coef.	Std. Err.	Z	P>/z/	Decision	
ACS →TER 1	0.0660	0.0256	2.58	0.010	Not Supported	Rejected
ACI →TER 2	0.2596	0.1340	1.94	0.053	Not Supported	Rejected
ACM →TER 3	-0.1666	0.0262	-6.37	0.000	Not supported	Rejected

Source: Researcher's Compilation (2023)

## 5. CONCLUSION AND RECOMMENDATIONS

Based on the findings, the following represents the conclusion:

Firstly, audit committee size has significant positive relationship with timeliness of financial reporting of listed oil and gas companies in Nigeria. This means that increase in audit committee size leads to significant increase in timely financial reporting of oil and gas companies quoted in the NSE. Secondly, audit committee independence has significant positive relationship with timeliness of financial reporting of listed oil and gas companies in Nigeria. This also means that increase in audit committee independence leads to significant increase in timely financial reporting of oil and gas companies quoted in the NSE.

Lastly, audit committee meeting has significant negative relationship with timeliness of financial reporting of companies quoted in NSE. This suggests that increase in audit committee meeting will lead to delay in timely financial reporting of oil and gas companies quoted in the NSE. Based on this conclusion, among other things this study recommended that listed oil and gas companies in Nigeria should increase their audit committee size and audit committee independence so as to have timely financial reports. However, they should reduce the frequency of their audit committee meetings to ensure timely financial reporting.

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