AUDIT COMMITTEE ATTRIBUTES, INTERNATIONAL FINANCIAL REPORTING (IFRS) ADOPTION AND AUDIT REPORT LAG AMONG NIGERIAN LISTED FIRMS

OLOGUN, Veronica Olubunmi
Bursary Department
Adekunle Ajasin University
Akungba-Akoko, Nigeria
drolubunmi78@gmail.com
+234 803 3850 654

ABSTRACT
This study is a comparative study of the pre- and post-IFRS periods, necessitated by the need to ensure timely arrival of financial reports to users despite the more-information disclosure demand of IFRS and an effective audit committee compliance demand of corporate governance for companies. The study employed ex-post facto research design and utilizes a panel data report of the annual financial statement of fifty-seven firms listed on the Nigerian Stock Exchange for 2006-2011 and 2013- 2018. The study uses multivariate regression analysis of panel generalized least square to address the problem of heteroskedasticity of data. The study reveals that audit committee attributes significantly influence audit report lag upon IFRS-adoption. Besides, audit committee attributes, such as audit committee meeting and the audit committee independence increased the amount of time auditors spend on their audit work. This study concludes that audit committee meeting and audit committee independence significantly influence ARL of firms in the post-IFRS adoption period; and recommends that boards and managers should consider audit committee meeting and audit committee independence as important audit committee attributes that reduce ARL. The study also recommends the inclusion of more financial experts on audit committees which may translate to fewer meetings without compromising committee independence.

Keywords: Audit committee attributes, audit report lag, IFRS adoption, financial reports

INTRODUCTION

Investment is an essential aspect of man, as it entails the deferment of present consumption to the future. Investment attracts compensation for investors, usually returns. In making investment decisions, investors rely on critically analyzed information to ensure optimal returns on investment. One such information is the accounting information contained in the financial statements of reporting entities (Al-Ajmi, 2008). Azar, Zakaria, and Sulaiman (2019); and Kenechukwu and Okechukwu (2019) argue that accounting information is associated with the quality of accounting standards underlying it. Kenechukwu and Okechukwu (2019) specifically noted that the financial performance of Nigerian commercial banks between 2013 and 2017 was significantly affected by the accounting standard in use. Timeliness of financial information is also viewed as a way of reducing information asymmetry and reducing the opportunity to spread rumors about companies' financial health and performance (Al-Ajmi, 2008).

Al-muzaiqer, Ahmad and Hamid (2018) established a significant relationship between audit committee size and audit report lag (ARL) while Ahmed and Che-Ahmad (2016) opined that no significant relationship exists between audit committee size and ARL. Al Daoud, Ku Ismail and Lode (2015) also observed that the existence of an audit committee has a significant relationship with the timeliness of financial reports and thus improved ARL. However, the nature of this relationship since the adoption of IFRS seems unknown as data used for these studies predates IFRS. Audit committees have a duty of ensuring high-quality financial reports, as prescribed by good corporate governance (FRCN Corporate Governance Code, 2018). The audit committee in performing its role may alter the audit report lag as the effectiveness or otherwise of the audit committee affects the time taken by the auditor for their work, i.e. the audit report lag. This study adopts audit report lag (ARL) as a proxy for timeliness of financial report; this is consistent with Oladipupo and Izedonmi (2013b). A perfect match of high-quality accounting standards and audit report lag would be most desirable by users of accounting information, but may not be feasible owing to the effect of IFRS adoption. Thus, there is a need to investigate the relationship between audit committee attributes and audit report lag upon IFRS adoption.

CONCEPTUAL REVIEW

Audit Report Lag

Timeliness of financial reports is important to users of financial information. Timeliness of financial information is measured by total report lag, comprising the time taken from the accounting year end date to the date the financial reports are made public to users (Oladipupo & Izedonmi, 2013b); and consists of audit report lag and management report lag. While management has a huge control over its report lag, i.e. the management report lag, it has no control over the audit report lag. The audit report lag is determined by the external auditor as it represents the time taken by the auditor to conclude and sign an audit report, from the date of the accounting year-end (Oladipupo & Izedonmi, 2013b). Audit report lag determines the timely or otherwise release of financial reports to users; and the audit committee plays a significant role in ensuring good corporate governance and timely arrival of financial reports to users.

IFRS Adoption in Nigeria

The adoption of IFRS in Nigeria came into being upon the approval of the Federal Executive Council (FEC) of Nigeria on 28th July 2010. FEC also approved its phased implementation with 1st January 2012 as the take-off date for convergence of Nigerian Accounting Standard with IFRS. IFRS adoption in Nigeria holds the potential to bridge communication gaps between stakeholders and their different uses of financial report, as the language of preparation and reporting is internationally understood by current and potential investors. IFRS adoption in also hold the capacity to simplify and bring uniformity in the preparation of financial reports in accordance with what is applicable across the globe, necessary for the globalization of business, finance, and investment, as well as cross border comparability of financial information and reports among countries of a common standard without any complexities (Taiwo & Adejare, 2014). The extent to which these benefits were achieved since the adoption of IFRS in Nigeria remains another discourse. IFRS adoption is however opined to elongate the time taken by management to prepare its financial report

owing to the increased information disclosure demand of IFRS (Alade, 2018). The impact of the audit committee on this relationship is the fulcrum of this study.

Audit Committee Attributes

The audit committee oversees the financial reporting process, reviews the effectiveness of a company's accounting and internal control system and makes recommendations to the board (CAMA LFN, 2004). The audit committee also recommends matters regarding the appointment, removal, and remuneration of a company's external auditors and authorizes internal auditors to carry out investigations into any activities of interest or concern to the committee. The role of the audit committee is crucial to ensuring the company's compliance with both its professional and ethical standards. The effectiveness of the audit committee largely depends on the attributes of the committee, including, audit committee size, audit committee meeting, audit committee independence, and audit committee diversity; while the effectiveness of the audit committee in performing its role has been linked to timeliness of companies' financial information (Chukwu & Nwabochi, 2019; Ogoun, Edoumiekumo & Nkak, 2020).

Part 'D' of the FRCN Corporate Governance Code (2018) also enumerates the principles which should guide companies in the conduct of business; stating the variables that could be used to measure the extent of a company's compliance with business conduct and ethics. These variables include, the existence of code of professional and ethical standards, whistle blowing policies, attributes of an audit committee, etc. The SEC Code of Corporate Governance (2011) stipulates that a company establishes an audit committee of not more than six (6) members spread equally between the shareholders and the directors to be elected at an annual general meeting. Chukwu and Nwabochi (2019) noted that the inclusion of shareholders in the audit committee is to strengthen the committee's independence. The audit committee members should be financial literates and should be able to read and understand financial statements (FRCN Corporate Governance Code, 2018). At least, a member of the committee should be a financial expert, having current knowledge in accounting and financial management matters, with the ability to correctly interpret financial statements. Audit committee members are expected to meet at least once a quarter, that is, a minimum of four times in a year (FRCN Corporate Governance Code, 2018). Audit committee independence is intended to be a function of the number of outside directors making up the committee, who could in turn help strengthen the company's internal control system (FRCN Corporate Governance Code, 2018).

Prior studies provide evidence of a relationship between audit committee independence and financial reporting quality and improved audit report lag (Abbott, Parker, & Peters, 2004; Agyei-Mensah, 2018). Thus, audit committee independence is expected to have a significant relationship with audit report lag even with the moderating effect of IFRS. Moreover, a good audit committee complements the internal audit function to improve audit report lag. Thus, the audit committee attribute is expected to have a significant relationship with the timeliness of the financial report. This study examined four main attributes of the audit committee: audit committee size, audit committee meeting, audit committee independence, and audit committee diversity.

THEORETICAL FOUNDATION

Agency theory

Agency theory explains contractual agreement between a principal and an agent where the latter is expected to perform entrusted functions or tasks on behalf of the former (Jensen & Meckling, 1976). This theory is used to resolve likely issues that might arise from conflict of interest between the principal and his agent. Compliance with IFRS requires corporate managers to give relevant full disclosure to shareholders in financial reports. Audit committee also ensures companies' compliance with professional and ethical standards. The committee therefore ensures that managers as agents fulfill their obligations to their principals, the shareholders. Thus, agency theory is considered appropriate for this study. Ologun (2021) also employed the agency theory in related study.

New Institutional Theory

The new institutional theory is traceable to Meyer and Rowan (1977) who observed the effect of education as an institution and opined that adherence to institutional principles and ethics led to the emergence of smaller formal structures within the institution. The role of the audit committee as prescribed by CAMA (1990) and CAMA LFN (2004) requires managers to comply with the demands of IFRS reports, as well as other professional and ethical demands of a business. This compliance also enables companies to enjoy benefits derivable from IFRS reporting. For instance, this compliance overtime strengthens the work of other committees in the organization, and thus, improves the quality of financial reports. The compliance also has implications on the work of the auditor and the audit report lag. To this extent, the new institutional theory is considered appropriate for this study.

Stakeholder theory

Stakeholders' theory could be traced to Freeman (1984). The theory explains the relationship between corporate managers and stakeholders. The timely arrival of financial reports in the stock market is important to stakeholders, i.e. the users of the financial report. The crux of the stakeholder theory is to ensure that the interests of all users of financial reports are adequately considered by managers when preparing financial reports. The audit committee also ensures that managers comply with statutory laws and professional ethics of business. Upon the adoption of IFRS, there is a need to establish whether stakeholders' interest through effective audit committee role has improved through the audit report lag. Thus, this study considers the stakeholder's theory as yet another appropriate baseline theory. Moreso, Bakare, Taofiq, and Jimoh (2018) employed the theory in related work.

EMPIRICAL REVIEW

Extant literature document conflicting results with respect to the relationship between audit committee attributes and audit report lag. Al Daoud, Ku Ismail, and Lode (2015) observed a negative relationship between Management Reporting Lag (MRL) and audit committee presence, perhaps owing to the central role the committee plays in improving the quality of financial reports by complementing the work of the Auditor. Ahmed and Che-Ahmad (2016) also investigated the effect of audit committee size on audit report lag of fourteen (14) listed deposit money banks in Nigeria between 2008 and 2012 using the ordinary least squares technique of panel data analysis. The findings revealed that there was no significant relationship between audit committee size and audit report lag. The study, however, did not build its findings on classical linear regression model assumption and did not capture the

effect of IFRS adoption on the relationship. Also, the study merely investigated a five-year period.

Al-Muzaiqer, Ahmad, and Hamid (2018) investigated the impact of audit committee attributes on contemporary audit report lag in the United Arab Emirates (UAE) for a three-year period, i.e. 2011 to 2013, using unbalanced panel data of listed companies on the Abu Dhabi Securities Exchange and the Dubai financial market. The findings revealed that audit report lag is influenced by audit committee size but not by audit committee expertise, audit committee meetings, and firm size. Also, the study did not consider the effect of IFRS adoption on this relationship. Also, Agyei-Mensah (2018) examined the effects of audit committee independence, audit report lag, among others, on financial performance, using return on assets and equity of ninety (90) firm-year data of thirty (30) firms listed on the Ghana Stock Exchange between 2012 and 2014. The results showed that audit report lag has a statistically significant negative relationship with firm performance. However, the study used a small sample of thirty to represent Ghanaian listed firms.

In other studies, Naimi, Nor, Rohami, and Wan-Hussin (2010) examined the relationship between audit committee attributes and audit report lag among Malaysian public listed companies upon the implementation of code of corporate governance in the country in 2001. The study used year 2002 financial year-end data for six hundred and twenty-eight (628) companies. The findings revealed that a larger and active audit committee reduced audit report lag. The study, however, did not show whether audit committee independence and expertise have a significant relationship with audit report lag. Ogoun, Edoumiekumo, and Nkak (2020) examined audit committee attributes and audit report lag of eight (8) quoted companies in Nigeria for years 2012 to 2019. Secondary data obtained from published annual reports of the NSE fact book were analyzed using the Ordinary Least Square (OLS) regression analysis. The findings showed a weak but statistically significant relationship between audit committee attributes and audit report lag. The results further revealed that audit committee independence and the audit committee diversity have positive and statistically significant relationships with audit report lag. Audit committee size and audit committee meetings have negative and statistically significant relationships with audit report lag. However, the study used a small sample size of eight firms to represent listed firms and also focused only on the post-IFRS period with no mention of the pre-IFRS era.

Likewise, Oshodin and Ikhatua (2018) examined the effect of IFRS adoption on audit report lag in Nigeria. The study used ordinary least square regression method to analyze data for IFRS adoption, and return on assets of thirty (30) purposively selected firms listed on the Nigerian stock exchange between 2009 and 2016. The results showed a slight improvement in audit report lag upon IFRS adoption and varied directions of relationship between firms' attributes and audit report lag in the pre-and post-IFRS adoption periods. The study was however constrained by its small sample. Puasa, Salleh, and Ahmad (2014) on their part, examined the association between audit committee characteristics such as independence, size, financial expertise and meetings, and audit report lag of two hundred and twenty-three (223) non-financial firms listed on the Main Board of Bursa Malaysia. The study covered years 2004-2006 and 2009 -20011 for pre and post Malaysian Code of Corporate Governance (MCCG) periods respectively. The regression results based on the White cross-section coefficients covariance method revealed that audit committee independence and

audit committee meetings are significantly related to audit report lag, but only the committee's composition of solely non-executive directors, size, and financial expertise are related to audit report lag for both pre and post-MCCG period, respectively. This study was, however, constrained by its use of the effect of change in governance structure, rather than IFRS adoption. In view of the forgoing reports of prior studies, the current study hypothesizes that

H_1: There is no significant relationship between audit committee attributes and audit report lag upon adoption of IFRS

METHODOLOGY

The study employed *an ex-post facto* research design to determine the relationship between audit committee attributes and the audit report lag, upon adoption of IFRS. The study obtained secondary data for pre- and post-IFRS periods from published annual reports of sample firms. The population of the study comprised firms listed on the Nigerian Stock Exchange (NSE) as of December 2019, totaling 165 (The Nigerian Stock Exchange, 2019). The study examined the entire firms listed on the Nigerian Stock Market as of 31st December 2019, which stood at 165 firms, covering six years (2006-2011) before the adoption of IFRS and six years (2013-2018) of post-adoption of IFRS (Nigeria Stock Exchange, 2018). Moreover, the study employed a purposive sampling technique based on experience. A sample size of fifty-seven (57) was obtained based on two criteria. The firm must have operated all through the period under consideration i.e. years 2006 to 2018, and year 2012 must be the year of convergence to ensure uniformity of underlying standard used to prepare the financial report. Secondary data were obtained from the audited published annual financial reports of the sample firms for the period 2006 to 2018. The annual reports were obtained from the Ibadan office of the NSE. Table 1 shows the variables and their measurements, including authors who have employed the variables for their studies.

Table 1: Operationalization of Variables

S/N	Variable Name	Acronym	Measurement	Source	Author who used the variables
1	Audit Report Lag	ARL	Number of days between firm's financial year-end and auditor's report date	Published annual financial reports	Oladipupo & Izedonmi (2013b); Ologun, Isenmila, Okuns & Alade (2020); Ologun (2021).
2	Audit Committee size	ACS	No of audit committee members in a financial year	Published annual financial reports	Chukwu & Nwabochi (2019); Ogoun, Edoumiekumo & Nkak (2020).
3	Audit Committee Meeting	ACM	No of meeting held by audit committee in a financial year	Published annual financial reports	Chukwu & Nwabochi (2019); Ogoun, Edoumiekumo & Nkak (2020).
4	Audit Committee Independence	ACI	No of non-executive directors to executive directors within the audit committee	Published annual financial reports	Chukwu & Nwabochi (2019); Ogoun, Edoumiekumo & Nkak (2020).

5	Audit Committe e Diversity	ACD	No of financial literate member on the committee	Published annual financial reports	Chukwu & Nwabochi (2019); Ogoun, Edoumiekumo & Nkak (2020).
6	IFRS	IFRS	Dummy variable of 1 if IFRS period, 0 if otherwise	Published annual fin. reports	Oshodin & Ikhatua (2018); Ologun, Isenmila, Okuns & Alade (2020); Ologun (2021).

Source : Review of literature (2021).

Data collected for this study were analysed using Panel Least Square (PLS) regression and the Panel Generalized Least Square technique (PGLS). These techniques enable us to determine the effects of change in a policy variable. In this instance, the change from Statement of Accounting Standard (SAS) to the IFRS is a change in policy that suits the use of PGLS, being a comparative analysis of two periods with different accounting standards. The Descriptive analysis was done to know the characteristics of each of the variables in the models of the study. The Correlation analysis, the Hausman test, and the Panel Least Square (PLS) model estimation technique were done to know the effects of the independent variables on the dependent variables.

Model Specification

This study adopted the stakeholder theory in investigating the effect of audit committee attributes on audit report lag upon IFRS adoption. Timely release of financial reports is of interest to all stakeholders. The effectiveness of the audit committee in achieving its objective is determined by its attributes, hypothesized to improve the audit report lag. IFRS adoption has the tendency to moderate the relationship between the audit committee attributes and the audit report lag, using the panel least square technique and panel generalized least square technique, as expressed in the model below. Bakare, Taofiq, and Jimoh (2018) employed this theory in a related study. Audit committee attributes investigated include the audit committee size, audit committee meetings, audit committee independence and the audit committee diversity.

$ARL_{it} = \mu_0 + \mu_1 ACS_{it} + \mu_2 ACM_{it} + \mu_3 ACI_{it} + \mu_4 ACD_{it} + \varepsilon_{it}$------------------- (Equ. 1)

Reflecting the moderating effect of IFRS adoption, the equation is modified as:

$ARL_{it} = \mu_0 + \mu_1 ACS_{it} + \mu_2 ACM_{it} + \mu_3 ACI_{it} + \mu_4 ACD_{it} + \mu_5 IFRS + \mu_6 IFRS*ACS_{it} + \mu_7 IFRS*ACM_{it} + \mu_8 IFRS*ACI_{it} + \mu_9 IFRS*ACD_{it} + \varepsilon_{it}$-------------------------(Equ. 2)

Where: ARL is the Audit Report Lag of firm *i* at time *t*; μ is the slope and coefficient of each variable; ACS stands for Audit Committee Size of firm *i* at time *t;* ACM stands for Audit Committee Meeting of firm *i* at time *t;* ACI stands for Audit Committee Independence of firm *i* at time *t;*ACD stands for Audit Committee Diversity of firm *i* at time *t; t* stands for year 2006, 2007… 2011 (for pre-IFRS period) and 2013, 2014… 2018 (for post-IFRS period).

Equation 1 is for post-IFRS period only while equation 2 is for pre- and post-IFRS periods.

A priori Expectation

Based on a review of extant empirical studies, the following axioms presented in Table 2 were projected.

Table 2: Variables and their aPriori Expectations

Statement	Variables		Apriori Expectation	
Determine, how significantly, pre- and post-IFRS adoption affects the relationship between audit committee attributes and audit report lag.	1.	ACS	1.	± (t ≥ 2)
	2.	ACM	2.	± (t ≥ 2)
	3.	ACI	3.	± (t ≥ 2)
	4.	ACD	4.	± (t ≥ 2)

Source: Author's computation (2021)

RESULTS ESTIMATION AND DISCUSSION

Descriptive analysis of the Variables

Table 3: Descriptive analysis of the variables

	Mean	Median	Max.	Min.	Std. Dev.	Skewness	Kurtosis	Jarque-Bera	Prob.
ACD	11.15	0.00	60.00	0.00	13.82	1.05	3.38	130.01	0.00
ACI	43.23	50.00	100.0	0.00	11.71	-0.21	5.94	250.80	0.00
ACM	3.77	4.00	10.00	2.00	0.75	0.88	11.01	1905.21	0.00
ACS	5.53	6.00	8.00	3.00	0.90	-0.72	2.71	61.88	0.00
ARL	133.93	90.00	934.00	28.00	100.26	2.89	15.36	4851.11	0.00
IFRS	0.48	0.00	1.00	0.00	0.50	0.04	1.00	114.00	0.00

Source: Author's computation (2021)

As shown in Table 3, the average ARL after IFRS adoption is 133 days, a far cry from the stipulated 90 days' companies are expected to publish their annual accounts (CAMA 1990). The standard deviation of 13.822 for ACD shows that the variable is highly dispersed compared to other variables. Jarque-bera statistics with p-value greater than 0.05 shows the variables are normally distributed and vice-versa. All the variables in Table 4.1 have p-value less than 0.05 indicating that they are not normally distributed, perhaps owing to the panel nature of the variables with combination of different cross-sectional firms. The study was based on the assumption of either fixed or random effect.

Unit Root Test Result

Panel unit root test is required to avoid spurious regression. Table 4 shows the result of the unit root test of the panel data used for this study.

Table 4: Panel Unit Root Test

Variable	LLC (Levin, Lin & Chu t*)		Order of Integration	Remarks
	Statistics	p-value		
ACD	-3.48090	0.0001	I(0)	Stationary at level
ACI	-19.8105	0.0000	I(0)	Stationary at level
ACM	-2.41127	0.0079	I(0)	Stationary at level

ACS	-2.4871	0.0064	I(0)	Stationary at level
ARL	-36.9498	0.0000	I(0)	Stationary at level
BGENDIV_	-2.67065	0.0038	I(0)	Stationary at level
BINDEP	-7.72377	0.0000	I(0)	Stationary at level
BMEET	-4.43174	0.0000	I(0)	Stationary at level
BSIZE	-11.8668	0.0000	I(0)	Stationary at level
CSR	-3.11624	0.0009	I(0)	Stationary at level
ENVIRO	-2.25673	0.0120	I(0)	Stationary at level
GIFT	-1.85782	0.0316	I(0)	Stationary at level
HEALTH	-1.76848	0.0379	I(0)	Stationary at level
LOCCOM	-4.95749	0.0000	I(0)	Stationary at level
RMCE	-1.16534	0.0419	I(0)	Stationary at level
RMCGD	-3.5421	0.0121	I(0)	Stationary at level
RMCI	-2.6802	0.0282	I(0)	Stationary at level
RMCM	-1.8791	0.0202	I(0)	Stationary at level
RMCS	-1.9017	0.0286	I(0)	Stationary at level

Source: Author's computation (2021)

As presented in Table 4.2. The result shows that all the variables were stationary at level. This result implies that a common unit process does not exist among the variables, perhaps, owing to the cross-sectional nature of the sample firms. The model estimation can therefore be carried out using panel least square with an option of fixed or random effect.

Test of Hypothesis

The null hypothesis that there is no significant relationship between audit committee attributes and audit report lag upon adoption of IFRS was tested for redundant fixed effects test. Hausman test, multicollinearity test, heteroskedasticity test, as well as the serial correlation test were carried out.

Table 5: Panel Cross-section Heteroskedasticity LR & Arellano-Bond Serial Correlation Tests

	Panel Cross-section Heteroskedasticity LR Test				
	Null hypothesis: Residuals are homoscedastic				
	Equation: UNTITLED				
	Specification: ARL ACD ACI ACM ACS ACD_IFRS ACI_IFRS ACM_IFRS ACS_IFRS ACD				
	Value	df	rho	SE(rho)	Probability
Likelihood ratio	703.1840	57			0.0000
AR(1)	-2.306933		-1740588.587620	754503.388295	0.1211
AR(2)	0.994100		395377.673693	397724.310281	0.3202

Source: Author's computation (2021)

As reported in Table 4, for a model to be free from heteroskedasticity and serial correlation problems, the p-values must be greater than 0.05. The results show that the model is free from serial correlation problems but not heteroscedasticity problems. Therefore, panel generalized least square model will be adopted to address the problem of heteroskedasticity.

Table 6: Fixed Effects Tests

Redundant			
Equation: FIXED5			
Test period fixed effects			
Effects Test	Statistic	d.f.	Prob.

Period F	2.422939	(11,616)	0.0059
Period Chi-square	26.938993	11	0.0047

Source: Author's computation (2021)

The results of the fixed effect tests indicate that a significant fixed effect exists in the model since the test is statistically significant with p-values less than 0.05. There is a need to determine the best appropriate model between fixed effect and random effect using the Hausman test.

Table 7: 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	9.709037	8	0.2860

Source: Author's computation (2021)

The results in Table 7 show that the random effect method is more appropriate for the estimation.

The parameter estimates of the significance of audit committee attributes on the audit report lag of financial report post IFRS relative to pre-IFRS. Table 7 reports the estimated model of the significance of audit committee attributes on the audit report lag in post-IFRS relative to pre-IFRS periods. In line with the result of the heteroskedasticity test, the study estimate panel generalized least squares on the assumption of the random effect.

Table 8: The parameter estimates of the significance of audit committee characteristics on the timeliness of financial report post IFRS relative to pre-IFRS

Eq Name:	OLS5	FIXED5	RANDOM5	FGLS
Method:	LS	LS	LS	LS
Dep. Var:	ARL	ARL	ARL	ARL
ACD	-0.7909	-0.6352	-0.2355	0.7646
	[-1.9568]	[-1.9222]	[-0.6846]	[2.3323]**
ACI	-1.7623	-1.5619	-1.1762	-1.7202
	[-3.5044]**	[-3.6541]**	[-1.7236]	[-3.6673]**
ACM	-32.3763	-32.6966	-21.1449	32.3934
	[-4.1806]**	[-4.2180]**	[-2.1644]*	[4.1435]**
ACS	9.0086	9.5308	9.1454	9.2628
	[1.3663]	[2.6151]**	[1.7971]	[2.8486]**
IFRS	-107.2669	-78.9875	-72.4450	105.2315
	[-1.7587]	[-1.0131]	[-0.8155]	[2.3031]**
ACD_IFRS	0.1718	0.0295	0.2408	0.1481
	[0.2975]	[0.0850]	[0.6195]	[0.4349]
ACI_IFRS	1.3692	1.3117	1.2832	1.3568
	[1.9436]	[2.4276]*	[1.8761]	[2.3957]**
ACM_IFRS	22.4883	22.4480	7.6370	22.4330
	[2.1652]*	[2.9377]**	[0.7283]	[2.9324]**
ACS_IFRS	-9.3777	-9.5646	-6.1592	-9.5589
	[-1.0474]	[-1.0055]	[-0.7997]	[-1.0089]
C	291.4973	267.7111	221.9816	288.1490
	[6.1539]**	[7.2732]**	[3.1188]**	[6.1468]**

Observations:	636	636	636	636
R-squared:	0.0754	0.1113	0.0513	0.0706
F-statistic:	5.6694	3.8529	3.7609	5.2863
Prob(F-stat):	0.0000	0.0000	0.0001	0.0000

From Table 8, the variable of IFRS is statistically significant at 5% level of significance with coefficient 105.2315 ($t=2.3031$, $p<0.05$). The interaction of the variables of audit committee meeting and audit committee independence with IFRS shows a significant positive relationship with ARL, that is, they increased ARL upon IFRS adoption.

DISCUSSION OF FINDINGS

IFRS is a dummy variable that differentiates between the two periods of the post and pre-adoption of IFRS. If the coefficient of IFRS is statistically significant, the post-adoption of IFRS seems to be more effective than the pre-adoption. Also, if the interactive term of each variable with IFRS is statistically significant, it implies that the variable was well moderated by IFRS. IFRS was statistically significant at a 5% level of significance suggesting that IFRS-adoption has significant effect on the relationship between audit committee attributes and audit report lag. This study found that IFRS adoption is more effective in the relationship between audit committee attributes, and audit report lag in the post IFRS adoption era, compared to the pre-adoption era. Also, the audit committee role as typified by the committee attributes increased audit report lag after the adoption of IFRS, and hence, delayed the timeliness of financial reports.

The descriptive analysis shows that the average ARL in the post-IFRS period is 133 days while the maximum and minimum ARL is 934 and 28 days respectively. Ogoun, Edoumiekumo and Nkak (2020) reported that firms take an average of 89 days to publish their accounts based on published annual financial reports of eight (8) Nigeria listed firms for years 2012 to 2019. Ologun *et al*. (2020) also reported an average ARL of 123 days in the post-IFRS adoption period of years 2012 to 2017. The result of the descriptive analysis suggests that the average ARL of 133 days of Nigerian listed firms seem to have improved upon IFRS adoption, but a far cry from the 90 days firms are statutorily required to publish their annual reports (www.sec.gov.ng).

IFRS is a dummy variable that differentiates the two periods pre and post- IFRS adoption. If the coefficient of IFRS is statistically significant, the post-adoption of IFRS seems to be more effective than the pre-adoption. The interactive term of IFRS and audit committee independence with coefficients of 1.3568 ($t=2.3957$, $p<0.05$) show that IFRS adoption significantly moderate the effect of the variables on ARL as the interaction has a statistically significant positive effect on ARL, similar to the work of Ogoun, Edoumiekumo and Nkak (2020), but in contrast to the work of …..Also, the interactive term of IFRS and audit committee meeting with coefficient of 22.4330 ($t=2.9324$, $p<0.05$) show that the interaction has a statistically significant positive effect on ARL, similar to the work of Al-Muzaiqer, Ahmad, and Hamid (2018), but in contrast to the work of Ogoun, Edoumiekumo and Nkak (2020) who reported a significant negative relationship. The increase in ARL by the variables of audit committee meeting and independence could be due to many responsibilities that the committee is saddled with, to complement management in ensuring a quality financial report. There may be a need by management to strengthen the internal audit role to complement and lessen the work of the audit committee.

CONCLUSION AND RECOMMENDATIONS

This study looked at the effect of audit committee attributes on the audit report lag in the post-IFRS adoption period, namely, the audit committee size, audit committee meeting, audit committee independence, and audit committee diversity. This study concludes that the audit committee meeting and the audit committee independence have significant positive relationship with ARL of firms in the post-IFRS adoption period, i.e., they increased ARL, a position that seems contrary to findings from prior studies. The study recommends that the board and the corporate managers should strengthen internal control functions, through the internal audit unit. The internal audit role will complement and lessen the audit committee role, and perhaps reduce the number of committee meetings. Also, the board may consider increasing the number of financial experts on the audit committee, without compromising its independence, perhaps for improved effectiveness of the committee.

REFERENCES

Abbott, L. J., Parker, S., & Peters, G. F. (2004). Audit committee characteristics and restatements. *Auditing: A Journal of Practice and Theory, 23*(1), 69-87.

Agyei-Mensah, B.K. (2018). Impact of corporate governance attributes and financial reporting lag on corporate financial performance. African Journal of Economic and Management Studies. https://doi.org/10.1108/AJEMS-08-2017-0205

Alade, M.E. (2018). Effect of International Financial Reporting Standards on value relevance of accounting information of Nigerian listed firms (Unpublished Doctoral Thesis). Jomo Kenyatta University of Agriculture and Technology, Nairobi, Kenya.

Al-Ajmi, J. (2008). Audit and Reporting delays: Evidence from an emerging market. *Advances in Accounting, Incorporating Advances in International Accounting, 24*(2), 217-226.

Al Dauod, K.A., Ku Ismail, K.N.I., & Lode, N.A. (2015). The impact of internal corporate governance on the timeliness of financial reports of Jordanian Firms: Evidence from using audit and management report lags. *Mediterranean Journal of Social Sciences, 6*(1), 430–442.

Al-Muzaiqer, M. A. H., Ahmad, M., & Hamid, F. A. (2018). Timeliness of financial reporting and audit committee effectiveness: evidence from UAE. *UNIMAS Review of Accounting and Finance, 1*(1), 1–14.

Azar, N., Zakaria, Z., & Sulaiman, N. A. (2019). The quality of accounting information: relevance or value-relevance? *Asian Journal of Accounting Perspectives, 12*(1), 1–21.

Bakare, O.U., Taofiq, A., & Jimoh, J.A. (2018). Effect of board characteristics on timeliness of financial reporting of listed insurance firms in Nigeria. *Online Journal of Arts, Management & Social Sciences*, *3*(1),126– 136.

Chukwu, G. J., & Nwabochi, N. (2019). Audit committee characteristics and timeliness of corporate financial reporting in the Nigerian insurance industry. *International Journal of Managerial Studies and Research (IJMSR), 7*(4), 86–95.

Companies and Allied Matters, Act 1990.

Companies and Allied Matters Act, CAP C20, LFN 2004.

FRCN Code of Corporate Governance, 2018. Retrieved from https://www.financialreportingcouncil.gov.org.

R. E. (1984). *Strategic Management: A Stakeholder Approach.* Boston: Pitman.

Jensen, M. C., & Meckling, W. H. (1976). A theory of the firm: managerial behaviour, agency costs and ownership structure. *Journal of Financial Economics, 3*(4), 305–360.

Naimi, M. N. M., Rohami, S., & Wan-Hussin, W.N. (2010). Corporate governance and audit report lag in Malaysia. *Asian Academy of Management Journal of Accounting and Finance, 6*(2), 1–36.

Ogoun, S., Edoumiekumo, A., & Nkak, P. E. (2020). Audit committee attributes and audit report lag of quoted industrial companies in Nigeria. *IOSR Journal of Business and Management (IOSR-JBM), 22*(5), 1-9.

Oladipupo, A.O., & Izedomi, F.I.O. (2013b). Global demand for timely financial reporting: how prepared are the Nigerian companies? *Research Journal of Finance and Accounting, 4*(8), 63–75.

Ologun, O.V., Isenmila, P.A., Okuns, O.O., & Alade, M.E. (2020). IFRS adoption, corporate governance and timeliness of financial reports among Nigerian listed firms. *Accounting and Taxation Review, 4*(2), 33-56.

Ologun, O.V. (2021). Risk Management Attributes, IFRS adoption, and timeliness of financial reports among Nigerian listed firms. *International Journal of Economics, Business and Management Research, 5*(11), 231-247.

Oshodin, E., & Ikhatua, J. O. (2018). IFRS adoption, firms' characteristics and timeliness of financial information. *Accounting and Taxation Review, 2*(1), 92–106.

Puasa, S., Salleh, M. F. M., & Ahmad, A. (2014). Audit committee and timeliness of financial reporting: Malaysian public listed companies. *Middle-East Journal of Scientific Research, 22*(2), 162–175.

SEC Code of Corporate Governance 2011. Retrieved from https://www.nse.com.ng.

Taiwo, F. H., & Adejare, A. T. (2014). Empirical analysis of the effect of International Financial Reporting Standard (IFRS) adoption on accounting practices in Nigeria. *Archives of Business Research, 2*(2), 1-14.

The Nigerian Stock Exchange, Daily official listing as at December, 2019. Retrieved from http://www.nse.com.ng/issuers/listed-securities/listed-companies?filter=premium+board.