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Audit Committee Characteristics and Timeliness of Financial Reporting of Listed Oil and Gas Companies in Nigeria

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Abstract

This study examined the effect of audit committee characteristics on the timeliness of financial reporting of listed oil and gas companies in Nigeria. The study specifically examined the effect of audit committee size, audit committee meetings, audit committee gender diversity, audit committee independence, and audit committee financial expertise on the timeliness of financial reporting. A sample of six (6) oil and gas companies were selected from the population of all the twelve (12) oil and gas companies on the Nigerian Exchange Group Limited. Data for the study was obtained from the annual reports and accounts of the sampled oil and gas companies in Nigeria covering a period of eleven (11) years from 2012-2022. Random effect regression was revealed to be favored for the interpretation based on the underlying assumptions of the Hausmantest. This study found that audit committee size and audit committee meetings have positive and significant effects on the timeliness of financial reporting. The study further found that audit committee gender diversity and audit committee independence have a positive but not significant impact on the timeliness of financial reporting. However, the study found that audit committee financial expertise has a negative and significant effect on the timeliness of financial reporting. The study, therefore, recommended among others that more professional accountants with appropriate financial reporting expertise and experience be employed in the committee. Also, Audit committee independence be strengthened to ensure and facilitate quick decisions concerning audited financial statements for disclosure.

Keywords: Timeliness of financial reporting, audit committee characteristics, oil and gas companies.

Introduction

The timeliness of financial reporting is a critical issue in developing and industrialized capital markets where the audited financial accounts in the annual report are one of the dependable sources of information obtainable by investors. Financial reporting timeliness, according to Okwuego and Orjinta (2023) is referred to as the length of time from a company's fiscal year-end to the date of the auditor's report, thus it is measured as the number of days between a firm's fiscal year-end and the report date. Additionally, Ilaboya and Iyafekhe (2014) revealed that the usefulness and relevance of financial information are reduced by an increased financial reporting lag. The relevance of information made available in the financial statement diminishes as the time lag increases and may erode investors' trust in the equity markets (Appah&Tebepah, 2020)

Equally, Dheseviano and Efesiri, (2021) pointed out that the delay in the publication of the company's financial report may harm public confidence in the corporation.In addition, Afify (2009) viewed the deficiency of timely financial reports as an issue for stakeholders who need financial information. This is because delay in releasing earnings information allows a section of financiers to have a piece of expensive private information, which they will exploit to the disadvantage of the less-informed section of financiers. Nevertheless, Dheseviano and Efesiri, (2021) believe that the existence of an audit committee can influence the occurrence of audit delays in a company. Therefore, the timeliness of financial reports in a company will be constrained by the presence of an audit committee. An audit committee is one of the major operating committees of a company's board of directors that is in charge of overseeing financial reporting and disclosure.

The level of activities of the audit committee can be evaluated through the frequency of meetings (Appah&Emeh, 2013). More so, Mahfod, Nasr, and Magdy (2021) stated that audit committee meetings provide an avenue for the directors to deliberate on the financial reporting process and it is where the process of monitoring financial reporting occurs, so audit committee meetings are considered as an essential instrument in ensuring audit committee members are fulfilling their responsibilities towards the company. Similarly, an active audit committee concerning size will improve internal controls in the company and the time taken by the external auditors to complete their audit work could be reduced (Lirungan&Harindahyani, 2018). An adequate number of audit committee members would enable the committee to use its experiences and expertise in the best interest of stakeholders. According to Syahmi and Mohd, (2020), a larger audit committee size tends to have good quality financial reporting in terms of audit timeliness. Thus, this will help to reduce audit report lag.

Furthermore, Alkebsee*et al.*(2022) maintained that having females on the audit committee might strengthen the monitoring role of the audit committee in financial reporting and auditing-related matters.The Nigeria Code of Corporate Governance (2018) issued by the Financial Reporting

Council of Nigeria (FRCN) stated that all members of the committee should be financially literate and should be able to read and understand financial statements. Audit committee financial expertise is important in determining the proficient utilization of time when reporting financial information and it is indicated by functioning as an enforcement tool that improves the timely financial reporting (Aimienrovbiye&Isenmilia, 2022). Abernathy*et al.*(2016) advocated that the presence of financial experts on audit committees increases the effectiveness and efficiency of the audit committee members in monitoring financial reporting quality and timeliness.

Due to the coronavirus epidemic, the Nigeria Exchange Group Limited (NGX) approved an additional sixty (60) days for all listed companies to prepare and submit their audited financial statement. The submission was prolonged till May 29, 2020, this unjustified delay in the publication of a financial report raises uncertainty amongst shareholders. Abdul Karim*et al.*(2022) conveyed that as of the end of the second quarter of 2021, forty- four (44) companies listed on the Nigeria Exchange Limited (NGX) affirmed to default in filing their annual reports. This signifies an increase of over 103 percent in comparison to the previous year when only 16 companies failed to file their reports. The companies, include, Conoil Plc, Oando Plc, Okomu Oil Plc, and Presco Plc among others. Furthermore, the Nigerian Exchange Group Limited (NGX) has fined eight (8) quoted companies for failure to file their unaudited financial statements after the regulatory due date in 2023, Presco Plc and Ardova were fined 9.4 million and 7.2 million respectively.

The timeliness of financial reporting is regarded to be one of the essential and crucial factors that affect the usefulness of information made accessible to various users. Consequently, accounting information is required to be available within a short time. Numerous studies were carried out on the connection between audit committee characteristics and timeliness of financial reporting both local and international. Most of the studies were either conducted on the industrial goods sector, insurance companies, financial sector, food and beverages firms, manufacturing sector, or conglomerate (see Merter & Ozer, 2024; Ogoun, Edoumiekumo, & Nkak, 2020; Gospel &Nwabochi, 2019; Odjaremu & Jeroh, 2019), and none has specifically covered the listed oil and gas companies in Nigeria. The findings of the earlier studies may not be valid to the listed oil and gas companies in Nigeria due to differences in the business environment and regulation setting of the industry. Therefore, there is a need to carry out a study to fill the existing gap in the literature.

More so, Ojani *et al.*(2023) used three (3) independent variables (female directors in audit committees with financial expertise, audit committee independence, and audit committee meetings) and explored the effect of audit committee characteristics on the audit delay of 6 listed oil and gas companies in Nigeria for a period 2011 - 2020. The former ignored audit committee size, and audit committee independence variables. The non–use of audit committee size and audit committee independence which in general believed that active audit committee concerning size will improve internal controls in the company and the time taken by the external auditors to complete their audit work could be reduced, provided a gap that is required to be filled. Also, this study examined the effect of audit committee characteristics of listed oil and gas companies in Nigeria for a period of 11 years (2012 – 2022). Similarly, the work of Ojani*et al.* (2023) covered aperiod of 10 years (2011 – 2020), the time covered leaves a gap that needs to be filled because the period can be regarded as not too current. It is against this background, that the current study seeks to examine the effect of audit committee characteristics on the timeliness of financial reporting of listed oil and gas companies in Nigeria. The following hypotheses are formulated in null form to guide the study.

$H_{01:}$ Audit committee size has no significant effect on the timeliness of financial reports of listed oil and gas companies in Nigeria.

$H_{02:}$ Audit committee meeting has no significant effect on the timeliness of financial reports of listed oil and gas companies in Nigeria.

$H_{03:}$ Audit committee gender diversity has no significant effect on the timeliness of financial reports of listed oil and gas companies in Nigeria.

$H_{04:}$ Audit committee independence has no significant effect on the timeliness of financial reports of listed oil and gas companies in Nigeria.

$H_{05:}$ Audit committee financial expertise has no significant effect on the timeliness of financial reports of listed oil and gas companies in Nigeria.

Literature Review

Conceptual Review

Audit Committee Characteristics and Timeliness of Financial Reporting

The audit committee is one of the most significant aspects of corporate governance that is saddled with the affairs of financial reporting and disclosure**Error! Reference source not found.**. More so, Akther and Xu, (2020) stated that an audit committee is a subcommittee of corporate governance mechanism with a primary responsibility of monitoring the overall financial reporting process of a company along with ensuring its quality and timeliness. The committee members are usually independent outside directors; whose prime responsibility is to offer an objective as well as balanced view on the firm's accounting practices and principles(Dare *et al.,* 2021;Millicent*et al*., 2022). In Nigeria, section 404 (1) of the Companies and Allied Matters Act – CAMA (2020) requires every publicly traded firm to establish an audit committee.Audit committee characteristics are numerous, however, based on the gap created for this study, features such as audit committee size, audit committee meetings, audit committee gender diversity, audit committee independence, and audit committee financial expertise are considered.

Audit Committee Size and Timeliness of Financial Reporting

The size of the audit committee refers to the total number of people that constitute the audit committee. Syahmi and Mohd (2020) stated audit committee with a large membership would enable the committee to use their experiences and expertise in the best interest of stakeholdersin deliberating on financial reporting issues. It also allows the committee to handle numerous financial reporting matters simultaneously thereby leading to timely completion of external audit (Gospel & Nwabochi, 2019). However, it has been maintained byRaweh*et al.* (2019) that an increase in audit committee size can result in inadequate participation by some directors, which in turn impairs cohesion in decision-making, and undermines the controlling and monitoring functions. Similarly, according to agency theory, the monitoring effectiveness and group interrelation can be enhanced by small audit committee size (Jensen, 1993; Hillman & Dalziel, 2003).

Audit Committee Meetings Frequency and Timeliness of Financial Reporting

Audit committee meetings, according to Santi, (2020) is aimed to update information and understanding regarding accounting issues facing the company. With the existence of an audit committee meeting, it is expected to be able to provide direction on solutions to financial problems in a timely manner **Error! Reference source not found.**.There are suggestions that frequent audit committee meetings permit the committee to be well-informed concerning the auditing procedure and perform its duties more attentively (Rabih, Guy & Rita, 2015). This means that meeting regularly facilitates the auditing of the financial statements, reducing the audit report lag.

Audit Committee Independence and Timeliness of Financial Reporting

Audit committee independence is the fraction of independent directors over the total number of directors within the audit committee. Section 404 (3) of the Companies and Allied Matters Act – CAMA (2020) states that the audit committee shall consist of five (5) members encompassing three (3) members and two (2) non-executive directors, the members of the audit committee are not entitled to remuneration and are subject to election annually. Dheseviano and Efesiri, (2021) highlighted that audit committees with a larger proportion of independent audit committee members are more likely to monitor the firm's financial performance effectively.

Audit Committee Gender Diversity and Timeliness of Financial Reporting

The existence of female directors sitting on the audit committee board has greater anticipation concerning their responsibility and role on the board which brings about improved monitoring of the board. Alkebsee*et al.* (2022) maintained that having females on the audit committee might strengthen the monitoring role of the audit committee in financial reporting and auditing-related matters.Audit committee gender diversity, in the words of Awatif and Warda, (2023)refers to the committee's inclusive or fair representation of men and women of various genders.

Audit Committee Financial Expertise and Timeliness of Financial Reporting

The know-how of audit committee members in relation to accounting and auditing is another characteristic that is connected to committee effectiveness (Maranjory *et al.,* 2022). According to

Merter and Ozer, (2024)audit committee financial expertise is referred to as the presence of professional accountants with appropriate financial reporting expertise and experience in the audit committee.Agency theory revealed that the presence of financial literacy supports the audit committee to enhance internal controls and ensure the efficiency of the external auditor to reduce the audit work time(Ishaka*et al.,* 2023).

Timeliness of Financial Reporting

Timeliness is a critical qualitative characteristic of accounting and a fundamental element of the relevance of financial reporting information in developing market economies. Timeliness of financial reporting, according to Omah (2024) is the time anticipation when information is been accessible and readily available for the intended users of the financial statement. The timeliness of financial reporting is very important for the functioning of the capital market because it decreases asymmetry in information and raises the usefulness of decisions in information **Error! Reference source not found.**. Similarly, Emovon and Izedonmi, (2023) stated that regulatory bodies in accounting and auditing mandated companies to produce financial statements, ensuring the delivery of high-quality financial reports and safeguarding the interests of investors and other stakeholders. Therefore, delays in the release of financial information make the information less relevant for decision-making. Eslami *et al*. (2015) opined that decision-makers and consumers of accounting information may incur costs as a result of the delay in the release of the financial reports. However, timely financial information provided by a company's management will go a long way toward reducing agency issues like information asymmetry(Abdul Karim*et al*. 2022).

Empirical Review

Many studies were carried out on the connection between audit committee characteristics and timeliness of financial reporting both local and international. Using non-financial companies listed on the Istanbul Stock Exchange Market (ISE) from 2009 to 2019. Merter and Ozer, (2024), examined the effect of audit committee characteristics proxied by audit committee gender diversity, meeting frequency, and independenceon financial reporting timeliness. Regression results show that audit committee gender diversity, meeting frequency, and independence are negatively connected with timely reporting. Similarly, a total number of 515 observations from 140 Saudi non-financial firms for the period 2018 – 2021, were used by Awatif and Warda, (2023)toinvestigate the effects of the busyness of audit committee members and the busyness of audit committee chairs on audit report lag. Based on the regression results, the result suggested that the busyness of audit committee members and the busyness of the audit committee chairs had positive and significant effects on the audit report lag.

However, Ojani *et al*.(2023)explored the effect of audit committee characteristics on the audit delay of listed oil and gas companies in Nigeria. The study employed a sample of 6 oil and gas companies from 2011 to 2020 listed from the Nigerian Exchange Group (NGX) market. Results from random effect regression exposed that female directors in audit committees with financial expertise and the existence of independent directors on audit committees have a negative and statistically significant effect on audit delay of listed oil and gas companies.In addition, using firms listed on the Tehran Stock Exchange (TSE) for a period between 2016 and 2020 Maranjory and Kouchaki (2022),examined the effect of independence, size, expertise, and gender of the audit committee on audit report lag. The results revealed that financial expertise and independence of the audit committee had a significant negative effect on audit report lag. Also, the results discovered a significant positive effect of audit committee gender on audit report lag, while there was no significant relationship between the size of the audit committee and audit report lag.

In Ghana, Millicent *et al*. (2022)investigated the impact of audit committee features on the audit report time lag of 25 publicly traded companies on the Ghana stock exchange for a period between 2008 - 2019. The study used the size of the audit committee, gender diversity, and financial expertise to measure the characteristics of the audit committee as against the number of days between the financial year-end date and audit report completion. The study also found a negative relationship between audit committee gender diversity, financial expertise, and audit report time lag.In another study,a sample size of twenty (20) top-performing firms actively traded on the floor of the Nigerian Exchange Group (NGX) for a period of 10 years from 2010 to 2019 was used by Dheseviano and Efesiri(2021)to examine the relationship between audit committee characteristics and financial reporting lag in Nigeria. The study specifically examined the relationship between audit committee independence, audit committee meetings, and audit committee gender diversity with financial reporting lag. The outcomes of the study show that a significant relationship exists between audit committee meetings and audit committee independence with financial reporting lag, while a non-significant relationship exists between audit committee gender diversity and financial reporting lag.

The study of Ogoun *et al.* (2020), used a sample of eight (8) industrial firms listed on the Nigeria Exchange Group (NXG) for a period between 2012-2019 to scrutinize the influence of audit committee attributes and audit report lag. Results from descriptive statistics, Ordinary Least Square (OLS) revealed that audit committee financial experts and audit committee independence hada positive and significant influence on audit report lag. The result further displayed a negative and significant influence between audit committee meetings and audit report lag as well as a negative and insignificant influence between audit committee size and audit report lag.

The work of Raweh *et al.* (2019) looked into the link between audit committee characteristics and audit report lag, by using data from 255 companies listed in the Muscat Securities market from 2013 to 2017. Audit committee characteristics were proxied by audit committee size, audit committee independence, audit committee financial expertise, and audit committee meetings. Multivariate analyses displayed a positive and significant link between audit committee size and audit report lag. More so, a negative and significant association between audit committee financial expertise and audit report lag. The study, however, does not find proof that audit committee independence and meetings are related to audit report lag.

Gospel and Nwabochi, (2019)investigated the effect of the characteristics of the audit committee on the timeliness of corporate financial reporting of fifteen (15) insurance firms listed on the Nigerian Exchange Group (NXG) during the period 2012 to 2015. Results from Ordinary Least Square (OLS) revealed a significantly negative relationship between audit committee meeting frequency and timeliness of corporate financial reporting. Also, there was a negative but insignificant association between audit committee gender, as well as audit committee independence, and corporate financial reporting. Finally, the results showed that audit committee size was positively and insignificantly related to timeliness in corporate financial reporting.

Similarly, in Nigeria related research was conducted by Odjaremu and Jeroh (2019)who used information from twenty-one (21) randomly selected financial institutions publicly traded in Nigeria for a period of six (6) years ranging from 2012 to 2017, toinvestigate the influence of audit characteristics attributes on reporting timeliness. Audit committee size, audit committee independence, audit committee diligence, and external audit expertise were used to proxy independent variables. The result from regression analysis indicated that audit committee size had a negative and significant effect on reporting timeliness while audit committee independence had a negative and insignificant effect on reporting timeliness. More so, a positive and insignificant effect was revealed between audit committee diligence and expertise of audit with reporting timeliness.

Theoretical Framework

This section explains the related theory on which the study is based. Agency theorywas used to explainsthe theoretical link between audit committee characteristics and the timeliness of financial reporting.

Agency Theory

Agency problem may occur, according to Brennan (1995), if the agent fails to act in the best interest of the principal. It arises in a company once the management (agents) has incentive to achieve their own interests at the expense of the shareholders (Agrawal &Knoeber, 1996) and will act in an opportunistic way to maximize their rewards. That is why corporate governance mechanisms (corporate ownership structure, board of directors, auditor and audit committee) were established to reduce the conflict in companies (Habbash, 2010).According to Pincus and Rusbarsky (1989), audit committees are typically employed to improve the quality of information flows from the agent to the principal in instances where agency costs are significant. In view of that, managers are encouraged to provide acceptable financial statements to specify the return generated by the companies, according to the agency theory, to ensure the success of an audit committee.

Methodology

This study used panel data collected from the annual report and accounts of listed oil and gas companies for the period 2012 to 2022 to examine the effect of audit committee characteristics on the timeliness of financial reporting. The sample data comprises of 6 listed main board oil and gas companies in Nigeria (Conoil Plc, Eternal Oil Plc, Japaul Oil Plc, MRS Oil Nigeria, Oando

Plc and Total Oil Plc) selected from the population of all the twelve (12) oil and gas companiestraded on Nigeria Exchange Group (NGX). Descriptive statistics, correlation, and multiple regression were used for data analysis. This study used three (3) sets of variables dependent, independent, and control variables.

Therefore, the dependent variable (timeliness of financial reporting) was measured using the time that elapses in days between year-end and the date of the independent auditor's report, and the independent variable audit committee characteristics were proxied by audit committee size, audit committee meetings, audit committee gender diversity, audit committee independence and audit committee financial expertise. Return on asset (ROA), leverage(LEV), and firm age (AGE).

Table 1:Variables of the Study and their Measurement

Variable Acronym	Name of the Variable	Measurement	Source
Dependent (FREPT)	Timeliness of Financial Reporting	The number of days between the company year-end and the audit report date	Merter and Ozer, (2024); Ishaka, *et al* (2023)
Independent	**Audit Committee**		
ACSIZE	Audit Committee Size	Measured by the number of audit committee members of a firm in a year	Millicent *et al* (2022)
ACMEET	Audit Committee Meetings	The total number of meetings held by the audit committee in one year	Ojani,*et al*(2023)
ACGEN	Audit Committee Gender	Number of women in the audit committee board	Gospel and Nwabochi (2019)
ACIND	Audit Committee Independence	The proportion of independent directors to the total number of directors on the audit committee	Ogoun *et al* (2020)
ACFINEX	Audit Committee Financial Expertise	Number of audit committee members who have expertise in accounting or finance	Dheseviano and Efesiri (2021)
Control			

LEV	Leverage	Aggregate liabilities are divided by aggregate assets.	Raweh *et al*(2019)
ROA	Return on Asset	Measured by return on assets, the net income before tax divided by aggregate assets.	Merter and Ozer, (2024)
AGE	Firm Age	Number of years a company has been listed on the Nigerian Stock exchange	Okwuego and Orjinta, (2023)

Source: Compilation of Authors, 2024 from the Literature

The model used to examine the effect of audit committee characteristics on the timeliness of financial reporting of listed oil and gas companies in Nigeria was adopted and modified from the works of Ishaka*et al*(2023); Merter and Ozer(2024), to test the hypotheses of the study as presented below:

$FREPT_{it} = \beta_0 + \beta_1 ACSIZE_{it} + \beta_2 ACMEET_{it} + \beta_3 ACGEN_{it} + \beta_4 ACIND_{it} + \beta_5 ACFINEX_{it} + \beta_6 ACFINEX_{it} + \beta_7 LEV_{it} + \beta_8 ROA_{it} + \beta_9 AGE_{it} + \varepsilon_{it}$

FREPT = Timeliness of Financial Reporting

ACSIZE = Audit Committee Size

ACMEET = Audit Committee Meetings

ACGEN = Audit Committee Gender Diversity

ACIND = Audit Committee Independence

ACFINEX = Audit Committee Financial Expertise

LEV = Leverage

ROA = Return on asset

Age = Firm Age

β_1 =Coefficient of the constant

β_1-β_9= the parameters to be estimated

$_i$ = Firm

$_t$ = Time

Results and Discussion

The section comprises descriptive analysis, diagnostic tests, regression analysis, hypotheses testing, and discussion of findings.Table 2offers the outcomes of descriptive statistics displaying the observations, the mean, standard deviation, minimum mean, and maximum mean.

Table 2: Descriptive Statistics

Variable	Obs	Mean	Std Dev	Min	Max
FREPT (Days)	66	106.3030	45.4012	54	327
ACSIZE (Number)	66	4	2	2	7
ACMEET (Number)	66	3.6061	0.85716	2	5
ACGEN(Number)	66	0.22727	0.457265	0	2
ACIND (%)	66	0.38614	0.2177	0.16	0.75
ACFINEX (Number)	66	1.16667	0.83359	0	3
LEV	66	0.46887	0.24670	0.01312	0.8338
ROA	66	0.0318	0.25804	-0.4866	1.8229
AGE	66	30.8333	16.2002	7	66

Source ***Stata Output Result 2024***

Data from Table 2 disclosed an average of listed oil and gas companies in Nigeria used to prepare and audit financial reports 106 daysafter the end of the fiscal year.This indicated that the majority of the listed oil and gas companies in Nigeria had audited financial reports public after 90 days asrequired bythe Companies and Allied Matters Act- CAMA(2020) during the period from 2012 to 2022. The lowest number of days recorded was 54 days, which denotes that some of the corporations made their annual audited reports very timely, while the maximum of 327 days recorded indicates some of them did not comply with the regulation at all.The results from the descriptive statistics show that the mean score for audit committee size (ACSIZE) is 4 persons, with a maximum and minimum of members 7 and 2 respectively. On average, the number of audit committee members for the companies was 4. This means that, on average listed oil and gas companies in Nigeria have violated the requirement of having 5 individuals on the audit committee as provided in CAMA (2020) as well as the Code of Corporate Governance 2018.

The average number of meetings held by audit committee members of listed oil and gas companies during the period of study is 4 times, by implication the audit committee members of sampled companies meet four (4) times in a year on average. This conforms to the requirement of CAMA (2020), that the audit committee should summon a meeting four (4) times a year. Likewise, audit committee meetings had the lowest value of 2 and a maximum of five (5). This entails that the lowest number of meetings held by audit committee members of listed oil and gas companies in Nigeria was two (2) indicating that some companies did not hold adequate meetings while some companies were able to hold up to five 5 meetings in the year. The fact that the amount of female representation on the audit committee ranges from 0 to 2 demonstrates that there cannot be female participation on the audit committee in some companies. This shows that the majority of audit committee members are men and that women represent the minority.As a result, men are more likely to hold influential positions on the boards than women, in the listed oil and gas in Nigeria.

Audit committee independence is measured by the proportion of non-executives on the audit committee. Audit committee independence had a mean value of 39%; this means that sampled oil and gas companies in Nigeria have at least 39% non–executive directors in the audit committee. Correspondingly, audit committee independence appears to have a minimum and maximum of 16% and 75% respectively. A pointer for return on assets (ROA) exhibited a least value of - 49% and a maximum value of 182%., indicating that during the study period, one company among the listed oil and gas companies witnessed a loss of about 49%, while the peak return on assets was 182%. The average return on assets during this study was 3%, signifying that an organization's entire asset base, typically contributed 3% in determining its total profit.

Correlation Matrix

The strength of the link between the dependent variable (timeliness of financial reporting) and, the independent variable (audit committee characteristics) is frequentlymeasured through a correlation matrix. Table 3 exhibits the correlation between the independent and dependent variables individually.The timeliness of financial reporting is believed to have a negative link with business age, leverage, audit committee gender diversity, and audit committee financial expertise. In that order, the correlation coefficients of -0.1667, -0.0349, -0.2005, -and -0.0349 displayed a negative correlation. Likewise, the correlation coefficient of 0.1128, 0.2551, 0.3585, and 0.4101 between the timeliness of financial reporting and return on asset, audit committee independence, audit committee meetings, and audit committee size indicated that the variables are correlated positively.

Table 3: Correlation Matrix of Dependent and Independent Variables

	FREPT	ACSIZE	ACMEET	ACGEN	ACIND	ACFINEX	LEV	ROA	AGE
FREPT	1.0000								
ACSIZE	0.4101	1.0000							
ACMEET	0.3585	0.4962	1.0000						
ACGEN	-0.2005	0.0149	-0.3568	1.0000					
ACIND	0.2551	0.2630	0.1049	0.0527	1.0000				
ACFINEX	-0.0928	0.3222	0.5024	-0.1009	0.2220	1.0000			
LEV	-0.0349	0.3849	0.2904	0.2064	0.3030	0.5256	1.0000		
ROA	0.1128	0.0832	-0.0962	0.0826	0.1012	-0.0583	0.0164	1.0000	
AGE	-0.1667	0.4302	0.1182	0.4039	-0.2411	0.1935	0.3122	0.0941	1.0000

Source ***Stata Output Result 2024***

Regression Results

The following diagnosticstests multicollinearity, heteroskedasticity, and Hausman specification tests were conducted in the study. The values of the independent variables from the variance inflation factor (VIF) offer proof of the nonexistence of collinearity. This is supported by a mean VIF value of 1.74 above the benchmark of 1 considered appropriate for regression analysis. However, the result of the heteroskedasticity test shows the existence of heteroskedasticity because the chi-square probability is 0.0000,which was fixed by running robust regression. In addition, the outcome of the Hausman test shows that the random effect is chosen over the fixed effect this is because the result displays a probability of the chi-square value of 0.9708.

The random effect regression results exhibited in Table 4 disclose a cumulative R2 of 0.4435,which is the multiple coefficients of determination that gives thepercentage or proportion of the total variation in the dependent variable (timeliness of financial reporting) explained by the independent variables jointly. Accordingly, it indicates that 44.35% of the total variation in the timeliness of financial reporting of listed oil and gas companies in Nigeria is affected by the audit committee size, audit committee meetings, audit committee gender diversity, audit committee independence, audit committee financial expertise, and leverage, return on asset and firm age, while 55.65% of the variation is the result of other variables not considered in this study. The P-value is 0.0000 and the Chi-square value is 45.43 entailing that the model is apt and significant at a 5% significance level. Table 4 shows the result of the effect of audit committee characteristics on the timeliness of financial reporting.

Table 4: Random Effect Regression Results

Variable	Coefficient	P> (t)
ACSIZE	13.7893	0.001
ACMEET	19.1409	0.009
ACIND	22.6213	0.385
ACFINEX	-18.3979	0.010
ACGEN	1.4562	0.909
LEV	-15.2654	0.523
ROA	18.8441	0.290
AGE	-0.8635	0.033
Number of observations	66	
Pro > F	0.0000	
R – square overall	0.4435	
Mean VIF	1.74	
Hettest	0.0000	
Hausman test	0.9708	

Source *Stata Output Result 2024*

Audit Committee Size and Timeliness of Financial Reporting

The results as shown in Table 4 indicate that the audit committee size displays a positive and significant influence on the timeliness of financial reporting (coefficient 13.78934 and p-value 0.001), this provides evidence for the rejection of null hypothesis one (1) of this study. This result implies that as audit committee size increases, the number of days after year-end and completion of external audit increases. More so, this outcome is consistent with the agency theory (Jensen, 1993), and Raweh*et al.*(2019)who submitted that asmall audit committee is better in coordination and communication between the directors, as well as enhancing the effectiveness of audit committee monitoring. Hence, small audit committee size contributes to shortening the timeliness of financial reporting. However, the result contrasts what was documented by Maranjory and Kouchaki (2022) who revealed that audit committee size has no significant effect on the timeliness of financial reporting.

Audit Committee Meetings Frequency and Timeliness of Financial Reporting

Audit committee meeting frequency hasa positive coefficient of 19.14, with a probability and t-value of 0.009 and 2.60, respectively, which is significant at the 1% level, as can be seen in Table 4 above. Thus, the study's second null hypothesis which states that audit committee meeting has no significant effect on the timeliness of financial reports of listed oil and gas companies in Nigeria is certainly rejected.The work of Dheseviano and Efesiri(2021) is in agreement with this, although that of Gospel and Nwabochi (2019) is in opposition. This validates that audit committee meetings have a favorable effect on the timeliness of financial reporting. It explains that any rise in the number of audit committee meetings conducted by listed oil and gas companies in Nigeria would result in a 19-day increase in the timeliness of financial reporting.

Audit Committee Gender Diversity and Timeliness in Financial Reporting

The third (3) hypothesis of this study tested the effect of audit committee gender diversity on the timeliness of financial reporting of listed oil and gas companies in Nigeria. The result in Table 4 reveals a positive coefficient of 1.4565 on audit committee gender diversity. However, the effect is statistically insignificant (p-value = 0.909). This could be due tothe non - existence of diversity in the committees which led to a failure to consider alternative views and consequently, slowed down decision-making processes.This provides evidence for the acceptance of null hypothesis three (3) of this study.The result is in disagreement with Millicent*et al*(2022) who found in the sample of 25 publicly traded companies on the Ghana stock exchange that the presence of a female director on the audit committee affected timeliness in financial reporting negatively.

Audit Committee Independence and Timeliness of Financial Reporting

Moreover, audit committee independence, as one of the proxies for audit committee characteristics, has a positive and insignificant effect on the timeliness of financial reporting.Previously, similar conclusions were reachedby Raweh *et al.*(2019), who disclosed that audit committee independence has no significant effect on the timeliness of financial reporting.However, the findings do not match with those of Merter, and Ozer, (2024) and Odjaremu and Jeroh (2019) who revealed that audit committee independence negatively affects the timeliness of financial reporting. The data prove the fourth null hypothesis, which claims that audit committee independence has no significant influence on the timeliness of financial reporting.

Audit Committee Financial Expertise and Timeliness of Financial Reporting

According to Table 4 above, the fifth (5) variable, audit committee financial expertise has a negative coefficient of-18.3978, with a p-value of 0.010. This provides evidence for the rejection of null hypothesis five (5) of this study. The implication of this result is that, the larger the number of professionals accountant on the audit committee, the shorter the timeliness of financial reporting of listed oil and gas companies in Nigeria (i.e) by addingone (1) individual of financially knowledgeable audit committee member, will resulted to a decrease in the timeliness of financial reporting by 18 days. Such a result is also supported by the agency theory that the presence of financial literacy supports audit committees to enhance internal controls and ensure the efficiency of external auditors to reduce audit work time. Also, this finding is consistent with the findings of Ojani, Adamu, and Shawai(2023) who found that audit committee proxied by audit committee financial expertise has a negative and significant effect on timelines of financial reporting of listed companies in Nigeria. However, this finding contradicts the findings ofOdjaremu and Jeroh (2019) whose findings revealed a positive relationship between audit committee financial expertise and timeliness of financial reporting.

Conclusion and Recommendation

Based on the results documented by the study, it has been determined that, Audit committee size has a positive and significant effect onthe timeliness of financial reporting, signifying that a small audit committee size is linked to reducing the timeliness of financial reporting.Similarly, audit committee meeting frequency has a positive and significant effect on the timeliness of financial reporting. It elucidates that any rise in the number of audit committee meetings may increase the timeliness of financial reporting.The presence of an audit committee member with financial expertise helps in shortening the timeliness of financial reporting.Also, shows that audit committee independence may not reduce the timeliness of financial reporting.Finally, audit committee gender diversity was found to have a positive and insignificant connection with the timeliness of financial reporting.

Based on the findings and conclusion of the study, it was recommended that management of listed oil and gas companies should retain an optimal audit committee size of five (5) as enshrined in CAMA (2020) as well as the Code of Corporate Governance 2018. The meeting frequency held by audit committee members should not be more than four (4) times a year. This is because, the higher the meeting held by audit committee members, the higher the delay it causes in the release of financial reporting. The management of the listed oil and gas companies should employ more professional accountants with appropriate financial reporting expertise and experience in the audit committee and give them more power to discharge their responsibilities efficiently and competently.Audit committee independence be strengthened by the management of oil and gas companies so as to ensure and facilitate quick decisions concerning audited financial statements for disclosure.

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ASSESSMENT OF EMPLOYEES VIEWS ON TRAINING AND DEVELOPMENT CHALLENGES AT TARABA STATE UNIVERSITY (TSU), JALINGO

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ABSTRACT

With the increasing recognition of human capital as a vital asset in organizational success, understanding the dynamics of training and development initiatives and challenges becomes imperative. This study examined the various kind of training and development activities that exist in Taraba State university (TSU), the challenges facing such training activities and the factors that could motivate employees to engage in training and development. The sample size of 87 out of 3012 staff of the population was arrived at using Cochran's Formula of calculating sample size of a finite population. The study adopted Human Capital Theory as the theoretical framework. The survey research designed has generated Data from mixed-method approach which combines qualitative interviews and quantitative surveys to gather comprehensive data.

Quantitative responses obtained from the Questionnaire were analyzed by descriptive statistic. Additionally, qualitative data obtained through interview were analyzed thematically. Presume hypotheses of significant differences was tested with Chi-Square. Findings from this research reveal that various training activities exist in TSU in which some training activities such as workshop, ICT training, on-the- job training, and tertiary education trust fund (TETfund) scholarship grant are the employees top preferential training scale. Financial constrain and lack of highly advanced and competitive training methods are some of the challenges while financial benefit, promotional expectation and increase performance are the motivative factors behind training and development in TSU. Therefore, regular workshop, rigorous employee's performance appraisal and seeking for external sources of grants and scholarships for training and development are recommended to be in the forefront of TSU priorities.

Keywords: Training, Development, *Training and Development, Training Methods, Training Need, Performance appraisal, Employee, Employees performance, Organizational Development.*

Introduction

Training and Development are essential processes within organizations to enhance the skills, knowledge, and capabilities of their employees. In the fast-paced, cutthroat business world of today, organizations are constantly seeking ways to gain a competitive edge. Among an organization's most important resources is its workforce. Employees play a pivotal role in achieving organizational goals and objectives, and their performance directly impacts an organization's success. To enhance employee performance and contribute to organizational success, organizations invest and embark significantly in training and development programs (Robbins & Coulter, 2019).

"Training and development programs encompass a wide range of activities designed to improve employees' knowledge, skills, and abilities. These programs can take various forms, including formal classroom training, on-the-job training, mentoring, coaching, and e-learning. Training and development's effect on workers' performance has been a subject of great interest to scholars, practitioners, and organizations alike. Numerous studies have attempted to uncover the mechanisms through which training and development interventions influence employee performance metrics such as productivity, job satisfaction, and job performance. However, the connection between development and training and employee performance is multifaceted, influenced by various factors such as the quality of training, individual differences, organizational culture, and the alignment of training initiatives with strategic goals" (Salas et al, 2017).

"In today's rapidly evolving landscape, governmental and nongovernmental organizations are confronted with the challenge of optimizing their training and development programs to enhance employee performance and remain competitive (Oribabor, 2020). Training and development initiatives are critical investments for organizations, aimed at equipping employees with the necessary knowledge, skills, and abilities to excel in their roles. However, the effectiveness of these programs in achieving desired outcomes remains a complex and multifaceted issue" (Bauer & Erdogan, 2019).

"It is further worth to note that studies of problems related to training in less developed nations are uncommon, despite the fact that much is known about the economics of training in the industrialized world. Only few researches in developing countries succeeded in exploring the relationship between training and development and employee performance. Therefore, several critical questions and gaps persist. (Bauer & Erodogan, 2019). This research aims to address these gaps and provide an updated, evidence-based perspective on the various methods of training and development programs, challenges facing the training and development programs and to excavate the factors that encourage employees to engage in training and development programs in Taraba State University (TSU) Jalingo".

Literature Review and Theoretical Framework

Conceptual Explanations

Training and Development

Training and development are frequently employed to reduce the discrepancy between performance as it is now and as anticipated in the future. Training and Development are essential processes within organizations to enhance the skills, knowledge, and capabilities of their employees. Training typically refers to short-term, skill-specific programs aimed at improving an employee's ability to perform their current job while development, on the other hand, is a broader, long-term process that focuses on educating staff members for positions and duties in the future within the organization. Before designing training and development programs, organizations conduct a need analysis to identify skill gaps and determine what training is required" (Oribabor, 2020). Using the results and data from the performance evaluation, the company can determine development needs. But, because of the concerns brought up during the performance review process and their own career path requirements, individuals themselves can assist in identifying the areas that need improvement (Guest, 2017).

Performance Appraisal

"The process of performing an analysis, examination, and evaluation of an individual's and an organization's performance in relation to predetermined objectives over a given duration is known as performance appraisal. Both formal and informal formats are possible for this process. Two categories—administrative and developmental—have been established for the goals of performance reviews. Performance appraisals serve developmental purposes such as giving