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DYNAMICS OF AUDIT COMMITTEE AND TIMELINESS OF REPORTING OF NIGERIA LISTED FAMILY-OWNED FIRMS

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ABSTRACT
This study critically assessed the effect of audit committee dynamics on the promptness of Nigerian-listed family firms' reported accounts, bridging an important gap in the governance literature of emerging economies. Stress is laid on the independence, composition size, frequency of meeting, and gender representation of the audit committee to scrutinize their respective effects on the timeliness of financial reports as a measure of transparency and accountability. Utilizing a 2012-2022 dataset of 17 family-controlled listed companies in Nigeria drawn from the Machame Ratio database, the study employs descriptive statistics and panel data models to explore these relationships. Findings made revealed that the audit committee independence {-0.535(0.011)} showed negative and statistically significant effect on timeliness, while audit committee gender diversity {1.206(0.014)} presents a positive and significant effect on the timeliness of financial reporting among the firms. However, audit committee size {-6.342(0.610)} and meetings {1.833(0.707)} are both not significantly related to timeliness with a negative and positive effect, respectively. These findings are adduced to provide insights into existing debates on whether audit committees make a difference to corporate governance, particularly in the unique case of family-controlled businesses in emerging economies. By highlighting the role of audit committee characteristics in reporting timeliness, the present study offers useful insights to policymakers, regulators, and practitioners who aim at improving corporate governance standards in Nigeria and other similar jurisdictions.

Key words: *Audit Committee, Corporate Governance, Family-Owned Firms, Gender Diversity, Timeliness.*

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1. INTRODUCTION

In the business world globally, prompt issuance of financial reports is vital. Financial report is crucial, especially for publicly traded companies, because it helps the company to get additional capital from outside sources (Chukwu & Nwabochi, 2019). Financial reporting timeliness is also very critical in making economic decisions. Any delay in financial reporting makes some investors, primarily those who are affluent or prominent, obtain costly confidential unreleased information, resulting in insider dealing. Also, a delay in filing of accounting reports could increase the complexity involved with investment decisions for existing and potential investors (Ciftci et al., 2019; Chukwu & Aloy-Ezirim, 2020). According to Dinh and Calabrò (2019), because of highly concentrated ownership, weak legal framework, and family-controlled company models, corporate governance mechanisms in Asian firms fail to function successfully in Asia. Puni and Anlesinya (2020) established that family businesses' corporate governance structures are often influenced by individuals related by adoption, blood or marriage. As a result, corporate governance within such businesses most times are not effective. Therefore, researchers seek to investigate governance structure within listed family-owned firms to justify the effectiveness of the corporate governance structure within such entities. Furthermore, the corporate audit committee is to oversee the financial record process, review the activities of external auditors, and ensure a well-structured internal control (Akinleye & Aduwo, 2019). Thus, an effective audit committee is expected to encourage and assist with the annual audit exercise. However, despite the introduction of audit committees in firms, delays in financial reports persist. Nimer et al. (2012) reported that the corporate audit committee appears to be ineffective in Jordanian public firms where audit committee membership is limited in size and the members lack independence. As at the end of the first half of 2021, 33 firms on NGX defaulted in filing their annual reports. This represents an increase of over 103 percent in comparison to the preceding year, when only 16 companies failed to file their reports (Umar et al., 2022).

1.1 Objectives

This study examines the effect of audit committee dynamics on timeliness of financial report of listed family-owned firms in Nigeria. The essence is to exhume the link between corporate governance structure and timeliness practices in family-owned firms in order to drive policy that would enhance family-owned businesses, especially in developing economies.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Conceptual Review

2.1.1 Reporting Timeliness

Timeliness is a qualitative characteristic of a financial report, often used to determine the quality of such financial information (Aifuwa et al., 2018). A timely financial statement refers to the days between the end of the fiscal year and the period the public accountant attests to the published financial report (Almuzaiqer et al., 2018; Pradipta & Zalukhu, 2020). Recent accounting scandals have boosted the demand for quick financial disclosure (Mbobo & Umoren, 2016). According to the International Accounting Standard Board (IASB) (2018), the availability of information to decision-makers at the proper time to aid decisions is defined as financial report timeliness. The ability to make a financial report accessible to users at the appropriate time is a crucial component of a successful financial report. Financial Accounting Standards Board (FASB) (2010) asserts that timely financial report serves as one of the essential elements relevant for making decisions. When people have access to information at the time when it will help them make decisions, it is said to be timely. External users must receive timely information regularly due to the need for it. Timeliness is a key property of financial disclosure, serving as the cornerstone to ensure transparency and efficiency in the capital markets. Through the timely public release of the firm's accounting figures, timeliness lessens the asymmetry of information, forestalls wrongful trading behavior, and lessens the possibility of making speculative projections of a company's financial soundness, ultimately supporting economic stability and investor faith (Fakhfakh et al., 2016). Almuzaiqer et al. (2018) further emphasize that information that is late or not available undermines its value to decision-makers, rendering it useless for making well-informed decisions. Oraka et al. (2019) similarly restate the same assertion that timely reporting enhances market regulation and operational efficiency through the prevention of leaks of knowledge, gossip, and insider dealing, besides facilitating the best investment choices. However, this debate raises crucial questions about structural and institutional barriers to timely disclosure, particularly in emerging markets. While timeliness has long-established advantages, the challenges to achieving it are scarcity of resources, regulatory inefficacies, and corporate governance deficiencies that demand scrutiny. Thus, while timeliness is necessary, its attainment needs additional examination of the systemic forces influencing reporting habits and their far-reaching effect on market integrity and economic performance.

2.1.2 Audit Committee Dynamics

The audit committee is a well-structured committee that assures openness, efficacy, probity, and success in the decision-making process within an entity. To ensure this, the Financial Reporting Council of Nigeria (2019) suggests that the audit committee be suitably sized in terms of expertise, relevant knowledge, proficiency, gender diversity, and time commitment to ensure that the organization’s goals are not jeopardized. Performing accordingly will ensure that agency dispute is kept to an absolute minimum while also attracting qualified individuals with the necessary expertise following the resource dependence theory (Pugliese et al. 2014). Their responsibility includes ensuring that the financial reports are accurate (Lastanti, 2020). The audit committee is in charge of not only overseeing the procedure for reporting financial information but also the efficiency of the organization's internal controls, audit, and risk control system, as appropriate (Tumwebaze et al., 2022). Velte (2017) asserts that the audit committee's effectiveness and the quality of the audit, as implemented by auditor industry expertise, are complementary dimensions of corporate governance. Consequently, a strong audit committee could facilitate a large reduction in audit report lag. The Nigerian Corporate Governance Code (2018) believes that having an audit committee in every company is the best. According to the aforementioned specification, the audit committee's attributes include diverse size, expertise, meeting, educational level, diversity in gender, diverse nationality and diligence, among others.

2.1.2.1 Independent Composition of Audit Committee

An audit committee is considered independent when its members abstain from managerial duties (Aifuwa & Saidu, 2020). The director cannot be employed by the company or have any business or professional ties with it (Aifuwa & Embele, 2019). To undertake effective monitoring and avert inappropriate managerial conduct, such as financial reporting delays, an audit committee should be separate from management. When the audit committee lacks or has minimal independence, the financial reporting quality and credibility decline (Kantudu & Samaila, 2015). The audit committee's mission includes objective reviews of financial reports, and the committee's composition can improve financial reporting quality (Alawaqleh & Almasria, 2021).

According to Al Lawati and Hussainey (2021), organizations that have the motivation and resources to strengthen the audit committee will do so by appointing more independent individuals as part of the audit committee. Due to their independence, an audit committee with an appropriate number of non-executive directors has the ability to reduce audit report latency, according to Soyemi et al. (2019). Furthermore, the proportion of outside directors in the audit committee affects the possibility that corporations will receive a “going concern” opinion (Putri, 2020). According to Berglund et al. (2022), for audit committees to be effective, they must be separate from management. This will protect auditors from improper influence and intervention from the management. In a similar vein, Mardjono and Chen (2020) discovered that audit committee members who own equity in the company are less effective at minimizing earnings within an organization. Due to this, the audit committee's independence is crucial to strengthening its ability to prevent untimely financial reports and misstatements.

2.1.2.2 Audit Committee Size

The size of the audit committee determines whether a company can provide its financial report to investors on time. The number of audit committees a firm has affects how quickly it can audit financial accounts, which in turn affects how quickly financial statements may be made available to the public (Al-Aamri et al., 2021). This is inextricably linked to the obligations of the audit committee, one of which is to support the board of directors in conducting an internal audit of the company's financial statements before submitting them to external auditors (Rivandi & Gea, 2018). Rivandi and Gea (2018) discovered that the larger the capacity of audit committees within an organization, the more probable a company is to deliver its financial records to external users on time, which negates Putra and Ramantha's (2015) findings.

In addition, the number of qualified individuals assigned to supervise the organization's operations to guarantee the dependability and correctness of financial reporting is known as the audit committee size. This includes assessing the firm's internal audit function's quality, determining whether applicable legal and regulatory standards are being followed, and assessing the independence and skill of external auditors. Since these factors directly affect the audit committee's capacity to monitor and manage operational and financial risks, the committee's size and makeup are essential to ensuring that it can fulfil its governance role.

2.1.2.3 Audit Committee Meeting

An audit committee's activity level is shown by how frequently it meets. The number of discussion sessions held during the year reveals how closely the committee has been monitoring the accuracy of financial reporting (Mathuva et al., 2019). The frequency of audit committee meetings refers to the number of times a firm's audit committee meets to carry out its tasks (Pratomo & Hapsari, 2020). Yonosa et al. (2014) note that the regularity of audit committee meetings is a signal of the efficacy of the committee. The engagement between the external auditors and the audit committee through meetings is a strong medium through which they advance auditing and financial reporting integrity. The committee reviews financial accounts, tests the effectiveness of the internal accounting controls, and checks the auditing system overall through such an engagement (Almasria, 2022). There are frequent meetings in the case of an active and diligent audit committee, as these reflect a formal forum to discuss future matters, conduct thorough reviews, and identify potential abnormalities in the financial statements (Emeh & Appah, 2013). These meetings are not regular but serve as a crucial forum for ensuring the statutory ethical processes. However, such meetings are only successful if the committee is willing to use rigorous examination and push back against auditors and management, and consider whether frequency necessarily translates into effective results. This underscores the need for critical examination of the depth and quality of discussion in these meetings, rather than assuming that regularity itself translates into effective financial management.

2.1.2.4 Audit Committee Gender Diversity

The presence of women on corporate boards and audit committees has been greatly discussed, with proponents citing both their possible contribution and the added complications. Advocates, drawing on resource dependency theory and feminist support, argue that women bring varied thinking, better problem-solving abilities, and additional supervisory leadership to committee roles based on their multitasking abilities developed through coordination of household and caregiving responsibilities (Aifuwa & Embele, 2019; Saidu & Aifuwa, 2020). Empirical research, e.g., by Aifuwa and Saidu (2020), shows that the multitasking ability of women positively affects decision-making in committees. Similarly, Ilaboya and Ludikero (2017) identify women's experience in gathering voluntary information, which has the potential to minimize information asymmetry and maximize transparency. However, the impact of gender diversity remains controversial. Some critics, such as Elgadi and Ghardallou (2022), caution that increased female representation on audit committees may lead to more extended decision-making times due to the incorporation of diverse views, thus compromising efficiency. These divergent perspectives underscore the need for a nuanced examination of the influence of gender diversity on the dynamics of governance, beyond one-dimensional expectations of women's involvement and possibilities in business settings.

2.2 Theoretical Review

2.3.1 Agency and Stakeholders Theories

Agency Theory, as Jensen and Meckling (1976) defined it, is concerned with the principal-agent relationship, with a focus being placed between shareholders (principals) and managers (agents). The theory underscores the interest conflict inherent in the separation of ownership and control, when agents may maximize their interests against principals. The theory emphasizes information asymmetry in increasing this conflict, as agents possess more information regarding the activities of the firm than shareholders do. Prompt financial reporting is seen as a means of reducing information asymmetry, enabling shareholders to monitor managerial actions and align them with shareholder wealth maximization (Fama & Jensen, 1983). Delays in reporting are considered undesirable as they can lead to agency costs such as managerial opportunism or poor monitoring (Bushman & Smith, 2001). Agency Theory hence focuses on reconciling principals' and agents' interests through governance mechanisms and punctual disclosure (Eisenhardt, 1989). On the other hand, Edward Freeman

(1984) put forward the Stakeholder Theory on broader ethical and managerial grounds. As per this, companies have a responsibility to voice the interests of all stakeholders not just shareholders like employees, customers, suppliers, creditors, and society. The theory is concerned with ethical and value-related issues in organizational management, arguing that a successful business must find a balance between different stakeholders' interests for long-term sustainability (Mahajan et al., 2023; Gbadamosi & Alade, 2024). Timely disclosure of finances is regarded as essential in enabling stakeholders to make informed decisions because different stakeholders utilize financial information for different purposes (Martinez-Ferrero et al., 2015). Delays in reporting are seen as adverse as they inhibit stakeholders from reacting in their respective capacities at the cost of trust and transparency.

Management, according to Salvioni et al. (2016), should view it as their duty to strike a balance in managing stakeholders' benefits, including them in decision-making and functioning as agents to stakeholders that supervise the long-term sustainability of enterprises. Different stakeholders inside an organization lead to varying levels of integration, which in turn affects how much information is made available to the public, especially if it's not a legal necessity (Gbadamosi & Alade, 2024). Demands for more information from stakeholders to lessen information asymmetry justify the need to clearly define all of the organizational actions that can only be accomplished with timely information (Forsythe et al., 2015). Because it tends to explain why most organizations need to participate in an act of voluntarily and timely financial information to win the approval of stakeholders, this theory proved valuable to the study, where managers, owners, creditors, members, suppliers, the government, trade unions, and the general public are among those who benefit from timely accountability since it enhances decision making and advocates for audit committee practices in firms.

The timely disclosure of financial reports as part of public company governance is based on the values of transparency, integrity, and responsibility. Management is responsible for publishing financial accounts to give investors and stakeholders equal access to information. Therefore, the practice of audit committees was examined to ascertain how it influences the timeliness of financial reporting and prompt issuance of financial reports, which increase the trust between stakeholders and management. Drawing on the theoretical foundations outlined above, this study posits the following null hypothesis:

H_0: *Audit committee dynamics have no significant effect on the reporting timeliness of listed family-owned firms in Nigeria*

This hypothesis offers a necessary assumption for testing the relationship between audit committee characteristics such as independence, size, meeting frequency, and gender diversity and financial reporting timeliness in the unique setting of Nigerian family-owned businesses. By using this hypothesis testing, the study seeks to dispel or validate general assumptions about audit committees' role in enhancing corporate governance and financial transparency in developing economies.

2.3 Empirical Review

Odjaremu and Jeroh (2019) assessed how audit committee features determine the promptness of reporting by publicly traded Nigerian firms. In this regard, secondary data at the firm level was gathered from the financial statements of 21 randomly selected enterprises from the years 2012 to 2017. Furthermore, the findings revealed that audit committee size, independence, and diligence have a strong association with promptness of reporting among Nigerian enterprises. The study was limited to a few audit dynamics when compared with Dachomo and Jibril's (2020) findings where multiple variables were examined. Also, Dachomo and Jibril (2020) used a sample of 10 firms to analyze how audit committee qualities affect the prompt presentation of financial reports of healthcare enterprises on the NXG. The study focused on listed healthcare firms in Nigeria and also considered a sizeable time scope from the year 2007 till 2017, as suggested by Gujerati et al. (2012).

The makeup of audit committees, gender composition, and financial literacy have a substantial impact on the latency of audit reports in Ghanaian publicly traded companies, according to Afenya et al. (2022). Merter and Özer (2024) discovered that audit committee independence, frequency of meetings, and gender diversity harm timely reporting in Turkey's listed non-financial enterprises. This suggests that audit committee features and report delays are negatively correlated.

3. MATERIAL AND METHODS

The study focused on family-owned listed firms with the largest shareholding and voting rights and employed a longitudinal research approach, examining audited reports from 39 family-owned businesses between 2012 and 2021 with a sample size of 17 businesses. The analytical framework for this study was adapted from the model developed by Aifuwa et al. (2020), which is expressed as:

$TCFR = f\,(ACIND; ACDIL; ACGD)$ …………..Eqn 1.

In its econometric form, the model was reformulated as follows:

$TCFRLAGit = \beta0 + \beta1ACINDit + \beta2ACDILit + \beta3ACGDit + \varepsilon it$ …………..Eqn 2.

To specifically examine the impact of corporate audit committee dynamics on reporting timeliness, the study employed the following model:

$TIMLAGit = \beta0 + \beta_1 ACIN\textit{it} + \beta_2 ACSZ\textit{it} + \beta_3 ACMT\textit{it} + \beta_4 ACGD\textit{it} + \varepsilon\textit{it}$ …………..Eqn 3.

Where:

TIMLAG = Reporting Timeliness, measured as the number of days between the end of the fiscal year and the signing of the published financial report;

β_0 = Constant term;

ACIN = Audit Committee Independence, calculated as the ratio of non-executive directors to the total number of audit committee members;

ACSZ = Audit Committee Size, representing the total number of members on the audit committee;

ACMT = Audit Committee Meetings, quantified as the number of meetings held during the financial year;

ACGD = Audit Committee Gender Diversity, measured as the proportion of female members relative to the total number of audit committee members;

β1, β2, β3, β4 = Coefficients of the explanatory variables;

ε = Standard error term

This model provides a robust framework for analysing the effect of audit committee dynamics on the timeliness of financial reporting, offering insights into the governance mechanisms that influence reporting practices in listed family-owned firms in Nigeria.

4. RESULT AND DISCUSSIONS

4.1 Descriptive Statistics

The mean, standard deviation, maximum, minimum, and Jacque-Berra of each variable were examined. Table 1 displays the study's descriptive statistics. In particular, the table indicates that the standard deviation was 73.09 and the mean reporting timeliness (TIM) was 104.68 days. According to the evidence, it took nearly 105 days after the financial year ended for the companies under investigation to have their external auditor sign their annual report. According to the study’s mean value of audit committee size (ACSZ) of 4.91 with a standard deviation of 1.10. According to the study, audit committee meetings (ACMT) had an average of 3.84 and a standard deviation of 1.06. The findings show that the audit committees of the understudied companies met four times a year on average. This outcome is in line with the Nigeria Code of Corporate Governance (2018), which stipulates that audit committee members should meet once every three months.

According to the audit committee gender diversity (ACGD) mean value of 13.61 and standard deviation of 15.11, on average, 14% of the audit committee members of the companies in the study are female. According to existing research, which indicates that women are capable of multitasking and may serve as effective audit committee members, the number is too low (Saidu & Aifuwa, 2020).

Table 1: Descriptive Statistics

	ACGD	**ACIN**	**ACMT**	**ACSZ**	**TIM**
Mean	13.61155	57.68840	3.844920	4.914439	104.6828
Median	12.50000	50.00000	4.000000	5.000000	87.00000
Maximum	50.00000	100.0000	9.000000	8.000000	538.0000
Minimum	0.000000	0.000000	1.000000	2.000000	26.00000
Std. Dev.	15.11014	25.70759	1.063830	1.103833	73.09765
Skewness	0.573983	1.041692	-0.064333	-0.070985	3.857611
Kurtosis	1.991815	3.942419	7.121915	2.519374	19.35003
Jarque-Bera	18.18778	40.73982	132.5109	1.956926	2533.073
Probability	0.000112	0.000000	0.000000	0.375888	0.000000
Observations	187	187	187	187	186

4.1.2. Test of Variables

4.1.2.1 Data Normality

Based on Table 2, timeliness of financial reporting (prob>z = 0.000) is determined not to be distributed normally since the probability of the z-statistics is large at 1%, as per the Shapiro-Wilk test. The same goes to audit committee independence (prob>z = 0.000), audit committee size (prob>z = 0.030), audit committee meetings (prob>z = 0.000), audit committee gender diversity (prob>z = 0.000) since the probabilities of the z-statistics as presented by the Shapiro-Wilk test are significant at 1% or 5% significant level. Moreover, we employed the Spearman Rank Correlation in testing the association between the concerned variables.

Table 2: Shapiro-Wilk Test for Normal Data

Variable	Obs	W	V	Z	Prob>z
timlag	186	0.527	66.254	9.613	0.000
acin	187	0.910	12.676	5.824	0.000
acsz	187	0.984	2.269	1.879	0.030
acmt	187	0.943	8.055	4.784	0.000
acgd	187	0.954	6.498	4.291	0.000

4.1.3 Correlation Analysis

The results indicate the absence of multicollinearity since all the association are seen to be weak and moderate, explaining that audit committee independence (-0.098) is negatively associated with the dependent variable of timeliness of financial reporting during the period under study. However, the result shows that audit committee size (0.080), audit committee meeting (0.087), audit committee gender diversity (0.081) are positively associated to the dependent variable during the period under study. Spearman Rank Correlation technique is employed to find out the possible relationship between the variables of interest presented in this study and the results is as presented in Table 3.

Table 3: Spearman's Rank Correlation

Variables	1	2	3	4	5	6	7	8
tim	1.000							
acin	-0.098	0.312	-0.085	0.096	1.000			
acsz	0.080	-0.003	0.419	0.153	-0.144	1.000		
acmt	0.087	0.055	0.238	0.238	-0.091	0.162	1.000	
acgd	0.081	0.140	0.301	0.493	0.057	0.326	0.327	1.000

4.1.4 Multicollinearity Test

With a mean of 1.495 and a VIF value below 10 guidelines, the Variance Inflation Factor Test (VIF) verified that there was no multicollinearity among the variables. This is presented in Table 4.

Table 4: Variance Inflation Factor Test of Variables

Variables	VIF	1/VIF
ACSZ	1.77	0.566
ACGD	1.59	0.628
ACIN	1.32	0.759
ACMT	1.30	0.771
Mean VIF	1.495	

4.1.5 Unit Root Test

Presence of unit root among the variables of regression model leads to spurious regression and to test for unit root, the study adopted Levin, Lin and Chu-t panel unit root test (common unit root process) and PP-Fisher Chi square (individual intercept). The result of the test as presented in Table 5.

Table 5: Unit Root Test [Levin, Lin &Chu t and PP-Fisher Chi square]

	Levin, Lin & Chu-t		PP-Fisher chi-square	
Variables	**Normal statistics**	**P-value**	**Normal statistics**	**P-value**
TIM	-9.463	0.000	88.130	0.000
ACSZ	-7.123	0.000	60.214	0.000
ACMT	-4.145	0.000	52.916	0.000
ACIN	-2.229	0.013	21.568	0.918
ACGD	-6.588	0.000	51.62	0.009

As presented in Table 5, the panel unit root test based on a test of common unit root process of Levin, Lin, and Chi-t revealed that all the variables have no unit root problem or were found stationary (p-value <0.05). Furthermore, tests for individual unit roots based on PP-Fisher Chi-square show that all the variables are equally stationary except for audit committee independence, with a p-value above the 5% level of significance.

Table 6: Audit Committee Dynamics and Reporting Timeliness

	(Pooled)	(FE)	(RE)	(PSCE)	(GMM)
Acsz	-9.992	-0.0409	-6.759	-9.992*	-6.343
	(-1.92)	(-0.00)	(-1.08)	(-2.12)	(-0.51)
Acin	-0.335	-0.254	-0.295	-0.335	-0.535*
	(-1.54)	(-1.18)	(-1.40)	(-1.63)	(-2.54)
Acgd	0.563	0.519	0.481	0.563	1.206*
	(1.43)	(0.96)	(1.08)	(1.70)	(2.46)
Acmt	0.671	7.774	4.532	0.671	1.834
	(0.12)	(1.26)	(0.80)	(0.11)	(0.38)
L.tim					0.180
					(0.93)
_cons	162.9***	82.63	130.9**	162.9***	125.8*
	(4.61)	(1.67)	(3.26)	(4.45)	(2.26)
N	186	186	186	186	168
R^2	0.032	0.030		0.032	
adj. R^2	0.010	-0.087			
Wald chi2(7)		1.2e+05	4.593	5.570	13.48
Prob>chi2		0.000	0.3317	0.2336	0.0193
Modified Wald Heteroskedasticity:					
Chi2(17)					1.2e+05
Prob>chi2					0.0000
Breusch & Pagan LM Test:					
Chibar2(01)				8.12	
Prob>chibar2				0.0022	
Hausman:					
Chi2(7)				3.99	
Prob > chi2				0.4071	
Wooldridge Autocorrelation Test:					
F				0.246	
Prob>F				0.6264	

*The t-statistics are shown in parentheses, with significance levels indicated as follows: * for $p < 0.05$, ** for $p < 0.01$, and *** for $p < 0.001$.*

With a null hypothesis of random effect model and an alternative hypothesis of fixed effect, the Hausman specification test was performed as recommended in Gujerati et al. (2012) to compare the estimates of the fixed and random estimators due to the usage of panel data. The test aids in determining which models are best for the research. The best estimation was determined to be the random effects (FE) results based on the Hausman test value (p=0.407). Autocorrelation test using Wooldridge presents not significant value (p= 0.6264), suggesting no presence of serial correlation in the error terms, while heteroscedatiscity test presents significant value (p-value = 0.000), suggesting the presence of heteroscedatiscity. Thus, the study could not interpret random effect results as a result of identified heteroscedatiscity problem emanating from the post-estimation test.

The endogeneity problem was found based on the robust and standard error-correcting technique of panel standard corrected error. To ensure that efficient coefficients are interpreted, a more robust estimation using the generalized method of moment (GMM) was employed, and the results were interpreted. Since the model is significant (p-value = 0.0193), it provides a basis for interpreting the outcomes of the coefficients.

The analysis of the Generalized Method of Moments (GMM) regression coefficients revealed that the four parameters under investigation audit committee size {-6.34 (0.610)}, audit committee independence {-0.535 (0.011)}, audit committee gender diversity {1.21 (0.014)}, and audit committee meetings {1.83 (0.707)} exert positive effects on the timeliness of financial reporting among listed family-owned firms in Nigeria. This suggests that the dynamics of audit committees, as captured in this study, have the potential to extend the timeliness of financial reporting within these firms. Specifically, any increase in audit committee size, independence, gender diversity, or meeting frequency may contribute to delays in financial reporting. However, only audit committee gender diversity and independence demonstrated statistically significant effects, highlighting their critical role in influencing reporting practices among listed family-owned firms in Nigeria.

Given the significance of the model and the notable impact of audit committee independence and gender diversity on reporting timeliness, the null hypothesis that audit committee dynamics have no significant effect on the timely reporting of listed family-owned firms in Nigeria cannot be retained. Consequently, this study concludes that audit committee dynamics significantly influence the timeliness of financial reporting in this context.

These findings align with Odjaremu and Jeroh's (2019) study, which found that there is a favourable significance on timely financial reports of selected Nigerian corporations. Additionally, these results support Dachomo and Jibril's (2020) findings, which indicated a positive but statistically insignificant relationship between audit committee meetings and reporting timeliness among healthcare firms in Nigeria. However, the study's results contrast with Ogbaisi et al. (2016), who reported a significant effect of audit committee meetings on the timeliness of financial reporting for selected firms on the Nigerian Exchange Group as of 2014. Similarly, the findings diverge from Akhor et al. (2019), who identified a significant negative relationship between audit committee independence and timely reporting among selected Nigerian banks. Furthermore, the results contradict Afenya et al. (2022), who found no significant relationship between audit committee gender diversity and financial reporting timeliness for selected companies listed on the Ghana Stock Exchange.

These divergent outcomes underscore the context-specific nature of audit committee dynamics and their impact on financial reporting timeliness. They suggest that institutional, regulatory, and cultural factors unique to different markets may influence the effectiveness of audit committees. This paper contributes to a broader academic discourse by highlighting the nuanced and contingent nature of audit committee dynamics, emphasizing the need for further research to explore the underlying mechanisms driving these variations across different contexts.

5. CONCLUSION AND RECOMMENDATIONS

The study concluded that audit committee characteristics when measured with audit committee independence and size reduce the timeliness of financial reporting of the listed firms but significant for the former and insignificant for the latter. Furthermore, audit committee gender diversity significantly increases the period that the listed family-owned firms issue their financial statement, while audit committee meeting insignificantly increase the timeliness of financial reporting of listed family-owned firms in Nigeria during the period under studied. The study recommended that listed firms should continue to sustain the culture of having increasing number of the non-executive directors in the audit committee to promote timely financial reporting within the listed family-owned firms. Most appropriate audit committee size should also be achieved within the listed family-owned firms.

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