Sokoto Journal of Management Studies

(A bi – annual publication of the Faculty of Management Sciences, Usmanu Danfodiyo University, Sokoto)

Volume 10 (1) March, 2016

ISSN: 2141-1670

Published by

The Faculty of Management Sciences,
Usmanu Danfodiyo University,
Sokoto State – Nigeria

Printed in Nigeria by

Al-Haqq Print Enterprises
0803 293 4584

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Effects of Characteristics of Audit Committee on Earnings Management in Nigerian Quoted Companies

ERIABIE, SYLVESTER, PhD AND ODIA, JAMES, PhD[1]

Abstract

The aim of this study is to examine the effect of Characteristics of Audit Committee on Earnings Management in Nigerian quoted companies. Data for the study were sourced from annual reports of one hundred and thirty one (131) companies quoted on the Nigerian Stock Exchange over the period of 2008 to 2014. The data were analysed using descriptive, correlation and Ordinary Least Square (OLS). The multivariate regression technique was utilised to estimate our model. The choice of this approach was based on the fact that our data are both time series and cross sectional. Our findings, using the panel regression results, indicate that each of these characteristics of audit committee, namely: audit committee independence, audit committee frequency of meetings and audit committee meeting attendance had a negative significant impact on earnings management. This implies that audit committee independence, audit committee frequency of meetings and audit committee meeting attendance are useful in reducing to the barest minimum, management's tendencies for opportunistic behaviour to manipulate earnings. Based on these findings, the paper recommends among others that, in order to strengthen the impact of audit committee independence on earnings management, the number of non-executive directors should be increased. Besides, non-executive directors should be appointed on the basis of competence and integrity. In addition, the Securities and Exchange Commission and the Central Bank of Nigeria should put in place a regulation which ensures statutory position on the maximum number of meetings to be held by audit committee members in a year.The practice whereby audit committee members are simply there just to complete the audit committee size without active attendance and participation at meetings should be curtailed.

Keywords: Earnings Management, Audit Committee Independence, Meetings, Attendance.

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Introduction

Issues of earnings management have attracted the attention of stakeholders and researchers following series of corporate failures in companies such as Savannah Bank and African International Bank (Odia, 2007); Wema Bank, Finbank and Spring (Adeyemi&Fagbemi,2010) and Intercontinental Bank Plc in 2009. This has made investors and regulators to lose confidence in the credibility of the corporate financial reporting in Nigeria, evidenced by issues of corporate insolvency in the financial sector immediately after the publication of unqualified financial statements by directors.This poses desperate times for stakeholders as such corporate failures are attributable to earnings management (Sanusi, 2012).Desperate times no doubt require desperate, unusual measures.

Sanusi (2012) provides evidence of earnings management in the Nigerian banking sector. Schipper (1989) is of the view that unrestrained use of earnings management by managers of companies distorts the information content of earnings. These developments have focused attention on earnings management and encouraged regulators and researchers to seek ways of eliminating or drastically reducing to the barest minimum the incidence of earnings management, which have no doubt misled users of financial statements in making informed decisions.

The Audit Committee (AC) is a central element of one of such reforms that can ensure the reliability and credibility of financial reports through an open and candid communication and a good working relationship with companies' board of directors, internal auditors and external auditors (Mustafa, 2012).

In Nigeria, the creation and establishment of an audit committee is made mandatory by the Companies and Allied Matters Act (CAMA) of 2004. According to CAMA, Section 359 (4), the makeup of the audit committee "shall consist of an equal number of directors and representatives of the shareholders of the company (subject to a maximum number of six members)". What Security and Exchange Commission really means by number of directors is equal number of Executive and Non-Executive Directors as all corporate governance codes recommend equal number of EDs and NEDs in the Audit Committee composition to ensure a balance of membership.The main objective of an audit committee is to act as a monitoring mechanism and protect the interest of stakeholders with a view of ensuring unbiased financial reports (Ong, 2013). Ramsay, (2001) stated that the purpose of establishment of an audit committee is to improve on financial reporting practices and ensure quality of earnings.

There is, therefore, a profound need to explore the characteristics of an audit committee in the Nigerian context, the changing nature of these characteristics and association of these characteristics with earnings management in Nigerian quoted companies.

Audit committee is proxied by three characteristics adopted in this study to measure its impact on earnings management in Nigerian quoted companies. They are: audit committee independence, audit committee frequency of meetings and audit committee meeting attendance.

Previous studies relating to audit committee and earnings management concentrated on developed economies with mixed and inconclusive results. For example, Bedard, Chtourou and Courteau (2004) found a negative relationship between independent non-executive directors and earnings management, while in the contrary, Iyengar, Land and Zampelli (2010) did not find significant association between independence of audit committee and earnings management. The aforementioned findings are output of developed countries, which have different regulatory framework, institutional structures and government mechanisms with those of Nigeria. Thus, this study in Nigeria will be of tremendous importance in evaluating the evidence from developing economies. Related studies in Nigeria (Audit committee attributes and earnings management, Ibadin and Afensimi, 2015; An evaluation of the implications of earnings management determinants in the banking industry, Dabor & Ibadin, 2013) which investigated the relationship between audit committee and earnings management are few in number, the methodologies of these studies pose questions about their sample size. Using a sample size of fifty (50) out of one hundred and ninety four (194) companies quoted on the Nigeria Stock Exchange makes the sample size too small to be representative of the population and therefore their results could not be reliable and moreso may not be generalized to all listed companies. The sample size of this study is one-hundred and thirty one listed companies, making up 66% of the population. This is in conformity with the minimum requirements of Taro Yamane's formula on sample size (Yamane, 1967).

The existing gap in knowledge provides the impetus and justification for this study. The rest of this paper is structured as follows: section 2 discusses the literature review, section 3 looks at the methodology, section 4 focuses on analysis and presentation of results while section 5 addresses conclusion and recommendations.

Objectives of the Study

The main objective of this study is to determine the effect of characteristics of audit committee on earnings management in Nigerian quoted companies. The specific objectives are to:

i) Evaluate the effect of independence of audit committee members on earnings management in Nigerian quoted companies.
ii) Determine the influence of frequency of audit committee meetings on earnings management in Nigerian quoted companies.
iii) Ascertain the impact of level of attendance at audit committee meetings on earnings management in Nigerian quoted companies.

Research Hypotheses

Based on the review of literature, the following hypotheses are formulated:

H_1: There is no significant relationship between independence of audit committee members and earnings management.
H_2: Frequency of audit committee meetings does not have significant influence on earnings management.
H_3: The level of attendance at audit committee meetings has no significant relationship with earnings management.

Literature Review

Concept of Earnings Management

There are different meanings of earnings management (Stolowy & Breton, 2000 and Yaping, 2005). The concept of earnings management comes under the umbrella of earnings manipulation. Earnings manipulation includes all strategies adopted by management of a business to present financial statements that show preconceived financial performance, position and progress of an enterprise, which is different from the underlying economic transaction of the firm.

There are various types of accounts manipulation and there is generally a thin line of difference between them (Brown, 1999). Stolowy and Breton (2000) strictly defined earnings management as consisting of the use of accounting choices and restructuring of business activities with the intent to mislead investors. This has to do with managers making choices from accounting policies for their personal benefits. Earnings management does take place while accounting regulation is not contravened.

Davidson, Stickney and Well (1987) defined earnings management as "a process of taking deliberate steps within the constraints of generally accepted accounting principles to bring about a desired level of reporting earnings".

Healy and Wahlen (1999:6) indicated that "earnings management occurs when managers use judgment in financial reporting and in structuring transactions to alter financial reports to either mislead some stakeholders about the underlying economic performance of the company or to influence contractual outcomes that depend on reported accounting numbers".

Kinnunen, Kasanen, and Niskanen (1995) opined that management misleads shareholders as regards the financial performance of the company by producing financial statements which do not represent the company's value or net worth.

Levitt (1998) indicated that earnings management is whereby managers cut corners such that earnings reflect the interest of management and not the true financial position of the firm. This study uses earnings management in its narrowest sense as defined by Healy and Wahlem (1999) and Davidson et al., (1987).Earnings management can be measured by using discretionary accruals, which are subject to management discretion. The most popular six models for determining the existence of earnings management are the DeAngelo (1986), Healy (1985) Model, the Jones (1991) Model, the Modified Model, the Industry Model (Dechow, Sloan & Sweeney 1995), and the Cross-Sectional Jones Model (Defond & Jiambalvo, 1994). This study measures earnings management using discretionary accruals derived from the Modified-Jones 1991 model.

Audit Committee Independence and Earnings Management

Audit committee independence implies that its members do not have any relationship with the management of a company alongside no influence from any of the majority shareholders, officers and executive directors of the company on the audit committee. It is generally believed that an independent audit committee ensures an effective monitoring of management as it relates to financial matters thereby ensuring reliability on the financial statements by users. Much of the blame and criticism for accounting irregularities is aimed at audit committee for not fulfilling their financial reporting oversight duties due to independence issues (Pergola, 2005).

Xie, Davidson and Dadalt (2003) stated that a more independent audit committee is argued to provide better governance and less earnings management compared to a less independent audit committee. Bedard, Chtourouand Courteau (2004) were of the view that earnings management practice is not likely to happen for audit committee with high percentage of independent non-executive directors. As a result, it is logical to expect that the independence of an audit committee is negatively associated with earnings management practice.

Other studies' results differ. Iyengar *et al* (2010) showed that there is no significant relationship between audit committee independence and earnings management. Klein (2002) also observed no significant association between audit committee independence and earnings management.

One possible interpretation of some of the findings is that the more independent the audit committee is, the less likely is earnings management and financial statement fraud.

Audit Committee Meetings and Earnings Management

Regulators and others have expressed a strong preference for an audit committee that meets frequently. Audit committee meetings imply the number of times audit committee members meet. This is quite different from attendance at meetings. Frequent audit committee meetings allow for better communication between audit committee members and auditors (both external and internal) and enable the audit committee to be more effective [The Public Oversight Board,1993, the Securities and Exchange Commission Chairman, Levitt, 1999 & the Blue Ribbon Committee, 1999].

An audit committee that meets frequently can reduce the possibility of earnings management (Abbott, Parker & Peters, 2004). Bryan, Liu and Tiras (2004) posited that audit committees that meet regularly are often expected to be able to perform monitoring tasks more effectively than others that do not meet regularly. Beasley, Carcello, Hermanson and Lapides (2000) found that fraudulent firms with earnings misstatements have fewer audit committee meetings than non-fraud firms. When audit committees meet often, earnings management is less (Xie, *et al*, 2003 & Vafeas, 2005).

However, empirical evidence on the impact of frequency of audit committee meeting on earnings management also differs. Bedard, Chtourou and Courtteay (2004) and Lin, Li and Yang (2006) did not find any negative association between the frequency of audit committee meetings and earnings management.

It follows, therefore, that an active audit committee with more meetings has more time to oversee the financial reporting process, identify management risk and monitor internal controls. Consequently, earnings management tends to decrease with more audit committee activity.

Audit Committee Attendance at Meetings and Earnings Management

Apart from the frequency of meetings, the level of attendance of audit committee members can also be used to measure how active audit committee members are. The level of attendance of audit committee members implies the number of times each member of an audit committee attends audit committee meetings. This is quite different from the frequency of audit committee meetings which means the number of meetings held by audit committee members. If the frequency of an audit committee meeting is high and the attendance level is low, this may impede the efficiency of the audit committee members in reducing earnings management (Nordin & Marini, 2009). It therefore follows that the more active and participative the audit committee members are, the less is earnings management.

Theoretical Framework

The theoretical basis for this study is the agency theory which emanates from the relationship between the principal (owners) and the agent (managers). Audit committees primarily align the interests of owners with the management's interest. The establishment of audit committees is regarded as a reaction to information asymmetries between the owners of a company and its management (Herzig & Watrin, 1995). Demsetz and Lehn (1985) asserted that the primary objective of an audit committee is to resolve agency problems by monitoring management's behaviour and consequently reducing the incidence of earnings management. Consequently, enhancing audit committees, will lead to reducing earnings management to its barest minimum

Methodology

Research Design and Source of data

The study used the panel data estimation technique of companies listed in the Nigerian Stock Exchange over the period of 2008 to 2014. Secondary data derived from annual reports of one hundred and thirty one companies listed in the Nigerian Stock Exchange, were utilized for the study. A total of one hundred and ninety four (194) quoted companies constitute the population. The sample size consists of one hundred and thirty one (131) companies using Taro Yamane formula (Yamane, 1996).

The sample size calculation using the Taro Yamane formula below:

$n = N/1 + N(e)^2$

Where

n = Sample size

N= Population size

e = Level of precision (error limit). For this study, 0.05 on the basis of 95% confidence level

$n = 194 / 1 + 194 (0.05)^2$

$n = 130.6$

$n = 131$

The choice of companies was based on availability of data in respect of companies in operation for seven consecutive years taking cognizance of sectoral representation of eleven (11) sectors of companies quoted on the Nigerian Stock Exchange.

Model Specification

Arising from the extant literature, audit committee independence, audit committee frequency of meetings and audit committee meeting attendance are observed to have effect on earnings management. Hence, the relationship between these aforementioned audit committee characteristics and earnings management is expressed as:

EM=*f*(ACIND, ACFM, ACMA) --- (1)

In econometric form:

$DACC_{it} = \partial_0 + \partial_1 ACIND_{it} + \partial_2 ACFM_{it} + \partial_3 ACMA_{it} + \partial_4 BDDILI_{it} + \partial_5 BDIND_{it} + \mu_{it}$ --------------(2)

Where:

DACC--------------------Discretionary Accruals(proxy for Earnings Management)
ACIND--------------------Audit Committee Independence
ACFM -------------------- Audit Committee Frequency of Meetings
ACMA---------------------Audit Committee Meeting Attendance
BDDILI ----------------------Board Diligence
BDIND ----------------------Board Independence
μit ---------------------------------Error term
$\partial 1$---$\partial 9$ ------Unknown coefficients of the variables. It is expected as
$\partial 1$-------$\partial 9 < 0$

DACC was adopted from modified-Jones (1991) model. It is determined as the residual (difference) between TAC(Total Accruals) and NDAC(Non-Discretionary Accruals) shown as follows:

$DACC_{i,t}=[|TAC_{i,t}|/A_{i,t-1}] - a_1 (1/At\text{-}1) + a_2 \{(\Delta REV_t - \Delta REC_t)/At\text{-}2\} + a_3 (PPEt/At\text{-}1$ ----------(3)

The variables in the model are measured in Table 1 as follows:

Table 1: Operationalization of Variables

S/N	Variables	Definition	Type	Measurement	Authors
1.	EM	Earnings Management	Dependent	Discretionary Accruals	Modified Jones, 1991 model
2.	ACIND	Audit Committee Independence	Independent	No. of non-executive directors (outside directors) in the audit committee	Bedard, Chtourou and Courteau, 2004
3.	ACFM	Audit Committee Frequency of Meetings	Independent	No. of times the audit committee meets in a year	Abbott, Parker & Peters, 2004
4.	ACMA	Audit Committee Meeting Attendance	Independent	No. of audit committee members in attendance at each meeting	Nordin& Marini, 2009
5.	BDDILI	Board Diligence	Independent (control)	No. of meetings held by the board	Xie, Davidson& Dadalt,2003.
6.	BDIND	Board Independence	Independent (control)	No. of non-executive directors (i.e. outside directors).	Uwuigbe, 2011

For one hundred and thirty one companies (131) observed, the variables were measured in relation to each company, covering a period of seven years (2008 to 2014).

Analysis and Presentation of Results

This section presents in detail, descriptive statistics, pearson correlation, regression results, test of hypotheses and ordinary least square regression.

Table 2 presents the result of the descriptive statistics of the variables as follows:

Table 2: Descriptive Statistics

	DACC	ACIND	ACFM	ACMA	BDDIL	BDIND
Mean	2.64E-07	2.926	3.4971	4.0294	4.3853	4.2971
Median	-3.19E-05	3	4	4	4	4
Max	0.004968	3	12	6	9	12
Min	-0.00026	2	1	2	2	0
Std. Dev.	0.000304	0.261	1.0348	1.2688	0.8999	1.7791
Jarque-Bera	660154.2	1672	2483	24.484	242.55	200.93
Probability	0.00	0	0	0	0	0

Source: Author's Compilation (2015)

DACC= Discretionary accruals
ACIND=Audit committee independence
ACFM= Audit committee frequency of meeting
ACMTA=Audit committee meeting attendance
BDDIL=Board Diligence
BDIND=Board Independence

Table 2 as shown above, presents the result for the descriptive statistics for the variables. As observed in table 2 above, DACC has a mean value of 2.64E-07which suggests minimal **DACC** value for sample with maximum and minimum values of 0.00496 and -0.0003 respectively. The standard deviation of 0.0003 suggests that the DACC values across the companies exhibits considerable clustering around the average. The Jacque-Bera statistic of 660154.2 alongside its p-value (p=0.00<0.05) indicates that the data satisfy normality and as well as the unlikelihood of outliers in the series. **ACIND** has a mean value of 2.963 with maximum and minimum values of 3 and 2 respectively. The spread of the data around the mean is 0.261which suggests considerable clustering around the average. The Jacque-Bera statistic of 1672 alongside its p-value (p=0.00<0.05) indicates that the data satisfy normality. The mean for **ACFM** is 3.497 with maximum and minimum values of 12 and 1 respectively. The standard deviation of 1.035 suggests considerable clustering around the average. The Jacque-Bera statistic of 2483 alongside its p-value ($p=0.00<0.05$) indicates that the data satisfy normality. The mean for **ACMA** is approximately 4.0294 with maximum and minimum values of 6 and 2 respectively. The standard deviation of 1.2688 suggests considerable clustering around the average. The Jacque-Bera statistic of 24.484 alongside its p-value ($p=0.00<0.05$) indicates that the data satisfy normality. The mean for **BDDIL** measured by the number of board meetings is 4.385 with maximum and minimum values of 9 and 2 respectively. The standard deviation is 0.899 with a Jacque-Bera statistic of 242.55 alongside its p-value (0.00) indicates that the data satisfy normality. The mean for **BDIND** is 4.29 with maximum and minimum values of 12 and 0 respectively. The standard deviation of 1.78 suggests considerable clustering around the average. The Jacque-Bera statistic of 200.93 alongside its p-value ($p=0.00<0.05$) indicates that the data satisfy normality. Next, correlation coefficients of the variables shall be examined.

Correlation Analyses

Of particular interest to this study is the correlation between DACC and the characteristics of audit committee (**see Appendix 1-Pearson Correlation Statistics**). As observed in Appendix1, a positive association is observed between DACC and ACIND ($r=0.032$). Though weak, the correlation suggested that ACIND may not be associated with a decline in DACC. A positive correlation was also observed between DACC and ACFM ($r=0.017$). Though weak, the correlation suggested that ACFM might not be associated with a decline in DACC. ACMA is observed to correlate negatively with DACC ($r= - 0.06$). Though weak, the correlation suggested that ACMA is associated with a decline in DACC.DACC appears to correlate negatively with BDDIL($r= -0.053$) and BDIND (- 0.041). The analysis of the correlation coefficients between the independent variables is quite low and suggests the likely absence of multicollinearity amongst the variables.

Regression Diagnostic and Specification Tests

The variance inflation factor (VIF) {**see Appendix 2 -Regression Assumptions Test**} shows how much of the variance of a coefficient estimate of a regressor has been inflated due to collinearity with the other regressors. Basically, VIFs above 10 are seen as a cause of concern (Landau & Everitt, 2003). As observed in

Appendix 2, none of the variables have VIF's values exceeding 10 and hence none gave serious indication of multicollinearity.

The ARCH test for heteroscedasticity was performed on the residuals as a precaution. The results showed probabilities in excess of 0.05 (see Appendix 2), which leads us to reject the presence of heteroscedasticity in the residuals.

The Lagrange Multiplier (LM) test for higher order autocorrelation reveals that the hypotheses of zero autocorrelation in the residuals were not rejected. This was because the probabilities (Prob. F, Prob. Chi-Square) were greater than 0.05(see Appendix 2). The LM test did not therefore reveal serial correlation problems for the model. The performance of the Ramsey RESET test showed high probability values that were greater than 0.05 (see appendix 2), meaning that there was no significant evidence of miss-specification.

Regression Results and Test of Hypotheses

Multiple regression analyses were used to conduct a full test of the model using panel data estimation technique. We present the regression results in Table 3 alongside discussion on test of hypotheses as follows.

Table 3: Shows the result of the fixed effects panel estimation.

	Pred. sign	PANEL A	PANELB	PANEL C
C		-6.365*	-5.550	-6.696*
	—	(8.227)	(1.316)	(4.447)
		{0.000}	{0.000}	{0.002)
ACIND		-6.577*		
	—	(2.827)		
		{0.000}		
ACFM			-1.340	
	—		(3.777)	
			{0.000}	
ACMA				-1.696*
	—			(4.440)
				{0.000)

BDIND		1.089	-2.014	0.0172
	—	(2.316)	(0.923)	(0.0188)
		{0.027)	(0.355)	{0.368)
BDDIL		- 0.166	1.389*	-0.1618*
	—	(0.732)	(0.519)	(0.058)
		(0.822)	{0.012}	{0.009)
R^2		0.552	0.586	0.579
F-Stat		7.55	5.605	3.652
P(f-stat)		0.000	0.00	0.000
D.W		2.07	2.08	2.01
Hausman test:	0.046			

Table 3: Panel Regression Results (Fixed effects)

* at 5%, note: ( ) stands for standard error and { }represents p-values.
Source: Author's Compilation (2015)

Panel A (in Table 3 above)results stand for *the hypothesis which states that there is no significant relationship between independence of audit committee members and earnings management.* In Panel A, $R^2 = 55.2\%$, explained systematic changes in earnings management. The coefficient was negative (-6.577) and significant (p=0.00) at 5% level. The F-stat (7.55) and p-value (0.00) did not support the null hypothesis of no significant linear relationship between the ACIND and earnings management hence the rejection of the null hypothesis and acceptance of the alternative hypothesis that there is a significant relationship between independence of audit committee members and earnings management, while the D. W statistics of 2.07 indicated the absence of a serial correlation of the residuals in the model.

Panel B (in Table 3 above)results stand *for the hypothesis which states that frequency of audit committee meetings does not have significant relationship with earnings management.* In Panel B, $R^2 = 58.6\%$, explained systematic changes in earnings management. The coefficient was negative (-1.340) in line with the predicted sign and significant (p=0.00) at 5% level. The F-stat (5.605) and p-value (0.00) did not support the null hypothesis of no significant linear relationship at 5% level hence the rejection of the null hypothesis and acceptance of the alternative hypothesis that there is a significant relationship between frequency of audit committee meetings and earnings management, while the D. W statistics of 2.08 indicated the absence of a serial correlation of the residuals in the model.

Panel C (in Table 3 above) results stand for *the hypothesis which states that the level of attendance at audit committee meetings has no significant relationship with earnings management*. In Panel C, R^2 = 57.9%, indicated systematic changes in earnings management. The coefficient was negative (-1.696) in line with the predicted sign and significant (p=0.00) at 5% level. The F-stat (3.652) and p-value (0.000) did not support the null hypothesis of no significant linear relationship at 5% level, thereby resulting to the rejection of the null hypothesis and acceptance of the alternative hypothesis, that there is a significant relationship between the level of attendance at audit committee meetings and earnings management, while the D. W statistics of 2.01 indicated the absence of a serial correlation of the residuals in the model.

Conclusions and Recommendations

The main objective of this study is to examine the impact of characteristics of audit committee on earnings management in Nigerian quoted companies. Using the agency theoretical framework, the study postulates, in line with prior studies that characteristics of audit committee can significantly impact on earnings management. To buttress this postulation, audit committee characteristics were regressed on discretionary accruals used as proxy for earnings management while board diligence and board independence were taken as control variables. The findings and recommendations are elaborated on in the following subsections.

Research Findings

Using the panel regression estimation results, the study found that audit committee independence had a negative statistical significant effect on earnings management consistent with Bedard, Chtourou, and Courteau (2004). The study also found that audit committee meeting frequency and audit committee meeting attendance had a negative statistical significant impact on earnings management in tandem with Xie *et al*, 2003. It could be deduced that audit committee independence, audit committee frequency of meetings and audit committee meeting attendance are useful in reducing to the barest minimum, management's tendencies for opportunistic behaviour to manipulate earnings (earnings management).

Recommendations

Arising from the findings, are the following recommendations:

It is suggested that in order to strengthen the independence of audit committee, non-executive directors used as proxy for independence of audit committee, should be increased. Besides, non-executive directors should be appointed on the basis of competence and integrity. They should be knowledgeable with some level of skills needed to be able to oversee the management of companies alongside perform the substantive monitoring function of preventing managers from opportunistically managing earnings in the financial reporting process.

The Securities and Exchange Commission and the Central Bank of Nigeria should put in place a regulation which ensures statutory position on the maximum number of meetings to be held by audit committee members in a year. The practice whereby audit committee members are simply there just to complete the audit committee size without active attendance and participation at meetings should be curtailed.

Regulatory authorities such as Central Bank of Nigeria (CBN), Securities and Exchange Commission (SEC) and Nigeria Deposit Insurance Corporation (NDIC) should organize trainings and seminars on a yearly basis for audit committee members as obtainable in other developed countries where audit committee institutions are established to train members of audit committee. This will enable members keep abreast of up to date information as regards their roles and responsibilities which will make them more effective and efficient in their assignments.

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