EFFECT OF BOARD OF DIRECTORS' CHARACTERISTICS ON CORPORATE FINANCIAL REPORTING QUALITY IN THE NIGERIAN CONSUMER GOODS SECTOR:

BY

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A LONG ESSAY SUBMITTED TO THE DEPARTMENT OF ACCOUNTING & FINANCE, COLLEGE OF HUMANITIES, MANAGEMENT, AND SOCIAL SCIENCES, MOUNTAIN TOP UNIVERSITY, IBAFO, OGUN STATE, NIGERIA.

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DECLARATION

I, Ojuroye Oluwatobiloba declare that this project was written by me and to the best of my knowledge, that the data contained in this project work are from my original research work and have not been submitted to any other university or institution for examination. Information derived from various sources has been duly acknowledged in the text and a list of references is provided.

OJUROYE OLUWATOBILOBA

Signature & Date……………………………………………….

CERTIFICATION

This is to certify that this research project titled: **"EFFECT OF BOARD OF DIRECTORS' CHARACTERISTICS ON CORPORATE FINANCIAL REPORTING QUALITY IN THE NIGERIAN CONSUMER GOODS SECTOR"** was carried out by **OJUROYE, OLUWATOBILOBA** with matriculation number is 18020101010 at the department of Accounting and Finance, Mountain Top University Ogun State, Nigeria under my supervision. This project report meets the requirements governing the award of Bachelor of Science (B.Sc.) Degree and is approved for its contribution to knowledge and literacy presentation.

Dr. T. A. Taleatu

Project Supervisor

Signature & Date ……………………………………………

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Head of Department

Signature & Date ……………………………………………

DEDICATION

This project is dedicated to God Almighty, the Author and Finisher of my faith and the source of all my knowledge and for seeing me through the completion of this project. I also want to dedicate this project to my sponsor, parents, guardians, and siblings for their endless support.

ACKNOWLEDGEMENT

I thank God Almighty for His mercy, kindness, favour and grace upon my life.

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ABSTRACT

This study investigated the effect of board of directors' characteristics on corporate financial reporting quality in the Nigerian consumer goods sector for the period 2012 to 2020. The work was anchored on the Agency's Theory. The study employed an ex-post research design. The population of the study consists of all the listed firms in the consumer goods sector which have a total of thirty-four companies and the non-probability sampling technique of judgmental sampling was adopted for this study. The data for the study was collected from the audited financial statement of the thirteen selected companies from the Nigerian Stock Exchange. The data were analysed using logistic regression analysis. The result from the data analysis revealed a positive but non-significant effect of board of directors' size on corporate financial reporting quality of the listed consumer goods sector in Nigeria while finding a negative and non-significant effect of board of directors' gender, independence, and meeting on corporate financial reporting quality of the listed consumer goods sector in Nigeria. Based on the findings, the study concludes that board gender, board independence, board meeting, and board size does not have significant effect on corporate financial reporting quality. Hence the study recommended that board gender should not achieve balance with the female gender, board independence should not have more non-executive directors, board meetings should not be more frequent and board size should be optimal.

Keywords: Board of directors, board of directors' gender, board of directors' independence, board of directors' meeting, corporate financial reporting quality.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Financial reporting quality has always been a subject of conversation and argument amongst users of financial reports because of its importance. Financial reporting quality is used to describe the standard of a financial statement. It emphasizes the importance of a financial statement. Now and then, cases of companies everyone thinks are performing excellently well based on the evidence from the financial reports end up being false with some of these companies getting to the point of liquidation. The popular case of Enron Corporation in 2002 still reverberates against the walls of Wall Street today; how its share price fell from $90.75 to $0.26 when its scandal broke out. In Nigeria also, one cannot forget the case of Cadbury Nigeria in 2006 where even after the well-respected Akintola Williams audited the financial statements, their financial statements were later found out to be falsified. The manipulations of financial statements and corporate collapses are currently recurring phenomena globally and this the major reason why the problem of financial reporting quality should be investigated. A false financial statement can wrought great damage not only to the company and its shareholders but to its stakeholders at large. A seemingly high profit can cause a bank and other financial institutions to loan out more than what it would originally give, hence, bringing the bank and other financial institutions to a loss if the company liquidates. Poor financial reporting quality can bring great distrust from the public to auditors who might have audited the financial statements sincerely and not detected errors. It can bring even greater distrust to the accounting profession and its practitioners who are known for integrity and accountability. It can leave a significant gap in the recommendations made by researchers who innocently used the false financial statements, and it might even spell tragedy for the people who have used those recommendations. It can cause shareholders to lose their investment in the company if it liquidates.

According to Patrick, Paulinus, and Nympha (2015), "various countries have tried to address this situation to guarantee the credibility of the financial statements by ensuring strong corporate mechanisms and strict compliance with accounting standards". Over the years, many checks and balances, and mechanisms have been put in place by many stakeholders of financial reporting quality to control financial reports quality and although they provide a lot

of help to an extent, it still seems weak as cases of fraud, falsified financial statements are nevertheless rampant in today's news. Checks and balances, include corporate governance which consists of the board of directors, audit committee, etc., internal audit for the internal control systems, and so on. "The board of directors is an important corporate governance (CG) mechanism that holds the responsibility for leading and directing a business organization and protecting the interests of all stakeholders" (Fama and Jensen, 1983). This study focuses on board of directors and its effect on financial reporting quality.

The board of directors exist as a result of the tendency of the management of a company to present untruthful financial statements to its shareholders. Al-Othman and Al-Zhoubi (2019) argued that "since an accrual basis is adopted in the preparation of these statements, it can result in profits that are not without estimates and the personal provisions of the management, which the management of the company can exploit to maximise its interest at the expense of the interests of investors and other stakeholders". Furthermore, the management that has been put in charge of the company can present financial statements that do not reflect the true state of the affairs of the company. "In other words, managers have incentives to manipulate accounting numbers either to mislead users of accounting information about the financial performance of a firm or gain personal benefits at the expense of shareholders" (Pham et al., 2019).

The board of directors have numerous roles to play in the company. According to (Madhani, 2017), "the mainstream governance literature indicates that, generally, there are four main roles that boards perform: (1) the control role; (2) the strategic role; (3) the resource provision role; and (4) the advice and counsel role."

Although, the board of directors' roles are numerous, for the purpose of this study, the focus would be on their control role. "The control role refers directly to the responsibility of directors to monitor managers on behalf of shareholders" (Hillman and Dalziel, 2003). The board of directors in this control role serve as a watchdog over the management and how they run the affairs of the company. With so many of the board of directors' characteristics to pick from, this study focuses on how board gender, board independence, board meetings, and board size influences corporate financial reporting quality in the consumer goods sector.

The board of directors is interested in the financial reports of the company because their job involves overseeing the actions of the management of the company including their

presentation of the financial statement. Investors are interested in the financial reports because they reap the dividends of their shares from the profits of the company. Regulators. Researchers are interested in the financial reports of companies so they can generate statistics useful to the corporate society and also help develop procedures to improve financial reporting quality.

1.2 Statement of the Problem

There are many challenges involved in producing the high quality financial reports that are essential to stakeholders in Nigeria. Numerous studies have been undertaken in the past in various economic sectors utilizing diverse variables, methodology, and criteria for the quality of financial reporting as well as geography and time frame. However, evident gaps still exist in literature on board characteristics and corporate financial reporting quality in the Nigerian consumer goods sector. Moreover, the studies often reveal conflicting findings, hence, a lack of uniform empirical results. As regards board characteristics and corporate financial reporting quality in Nigerian consumer goods sector, there have been variable exclusions (Okechukwu et al. 2021; Holtz and Neto, 2014; Nguyen and Tran, 2021; Rosellyn and Lusmeida, 2019), geographical gaps (Rosellyn and Lusmeida, 2019; Alzoubi, 2014; Arvanitis, Varouchas, and Agiomirgianakis), gaps in industrial sectors (Okechukwu, Aruwa, and Ame, 2021; Ajibulu, Yahaya, and Agbi, 2021; Aifuwa and Embele), methodological gaps (Holtz an Neto, 2014; Orazalin, 2019; Şener and Karaye, 2014).

This study intends to bridge the gap between board characteristics and corporate financial reporting quality in the Nigerian consumer goods sector, hence, this study intends to fill the variable exclusion, geographical gaps, industrial gap, and methodological gaps by measuring financial reporting quality with cash flow including the modified Jones (1991) model, industrial gap by focusing on the Nigerian consumer goods sector which has not been given more attention in the previous studies.

1.3 Objectives of the Study

The general objective of this study is to examine the effect of the board of directors' characteristics on corporate financial reporting quality in the Nigerian consumer goods sector. The specific objectives include:

1) To examine the effect of board size on corporate financial reporting quality in the Nigerian consumer goods sector.
2) To investigate the impact of board independence and corporate financial reporting quality in the Nigerian consumer goods sector.
3) To observe the effect of board meetings on corporate financial reporting quality in the Nigerian consumer goods sector.
4) To appraise the impact of board gender and corporate financial reporting quality in the Nigerian consumer goods sector.

1.4 Research Questions

To achieve this study's objectives and also proffer solutions to the problems of the study, the following research questions will be answered:

1) To what significant extent does board size affect corporate financial reporting quality in the Nigerian consumer goods sector?
2) To what significant extent does board independence relate to corporate financial reporting quality in the Nigerian consumer goods sector?
3) To what significant degree do board gender affect corporate financial reporting quality in the Nigerian consumer goods sector?
4) To what significant extent does board meetings relate to corporate financial reporting quality in the Nigerian consumer goods sector?

1.5 Research Hypotheses

In this research study, the following null hypotheses will be tested for validation or rejection:

H_{01}: Board size has no significant effect on corporate financial reporting quality in the Nigerian consumer goods sector.

H_{02}: There is no significant relationship between board independence and corporate financial reporting quality in the Nigerian consumer goods sector.

H_{03}: Board gender have no significant effect on corporate financial reporting quality in the Nigerian consumer goods sector.

H_{04}: There is no significant relationship between board meetings and the financial reporting quality in the Nigerian consumer goods sector.

1.6 Scope of the Study

This study focuses on the impact of a board of directors limited to board size, board independence, board meetings, and board gender on corporate financial reporting quality. The study was restricted to the Nigerian consumer goods sector only. This study utilises only the secondary data from the financial statements of selected fifteen (15) listed consumer goods companies ranging from the year 2012-2020 all listed on the Nigerian Stock Exchange. The ex-post facto research design will be used for this study.

1.7 Significance of the Study

This study would add to the already existing literature from previous studies and also provide more empirical knowledge, hence, contributing to the knowledge on related topics. The study would be significant to the board of directors as it would assist them in making the right adjustments according to the recommendations which in turn would help improve its financial quality by adjusting its characteristics to the conclusions of this study according to the positive or negative relationships with corporate financial reporting quality. Regulators would become more informed and with that impose appropriate policies and restrictions on companies. This study would also help fill gaps of knowledge for researchers and serve as a source of review for future studies.

1.8 Limitation to the Study

There were limitations and challenges in the collection and gathering of the financial statements of some listed companies. Some companies' websites did not provide the annual statements for the years required in this study. Some companies also did not provide information about their corporate governance in the website as well. Ultimately, there was also time constraint which limited the amount of secondary resources that could be used for this study.

1.9 Definition of Terms

The following terms are specifically defined in this research study as follows:

Board Gender: this is represented by the ratio of male to the female board of directors.

Board Independence: this refers to the ratio of executive directors to non-executive directors.

Board Meetings: this is represented by the frequency of the meetings held by the board.

Board Size: this is defined as the total number of members of the board of directors.

Financial reporting quality: this is measured by cash flow including the modified Jones (1991) model.

CHAPTER TWO

LITERATURE REVIEW

2.0 Preamble

This chapter is partitioned into three sections; conceptual review, theoretical review, and empirical review. At the conceptual review stage, the existing relationship between the independent variables and dependent variable under this study are revealed. The conceptual review explains the concept of the variables involved in this study. The theoretical review reveals theories related to the effect of board characteristics on corporate financial quality. The empirical review is premised upon previous studies relating to the effect of board characteristics on corporate financial quality.

2.1 Conceptual review

2.1.1 Board Gender

Board gender refers to the male and female individuals occupying positions as board of directors in a particular company. "Board gender diversity is a significant aspect of corporate governance, it is defined as the presence of female directors on the board of directors of corporations" (Carter et al, 2003).

2.1.2 Board Independence

Board independence can simply be defined as the quotient between non-executive directors and executive directors on corporate boards to determine if the board is independent of bias. Over the years, board independence has been argued to be more effective when non-executive independent directors are more than independent directors.

To be effective, boards must take steps, both in their structures and in their nominating procedures, to ensure that insiders and executive owners are unable to exercise undue control over the board's activities and decisions. The Board of directors of companies is advised to have an independent majority. This is because any board with a majority of independent directors is more likely to act in the best interests of the shareholders over theirs.

According to Daghsni (2016), "board independence is the most important aspect in figuring out the effectiveness of the board's work in reducing opportunistic chances for managers to

practice earnings management". "The board of directors is a central mechanism as well as the central authority of internal control designed for scrutinizing the top management actions" (Alzoubi, 2014). Given the authority and power bestowed upon the individuals that composite the board of directors, there should be care taken in appointing individuals to avoid bias and imbalanced decisions that would be based upon their preferences rather than the company's preferences.

2.1.3 Board Meetings

Board Meetings refer to meetings of individuals known as the board of directors who belong to a particular organization. These meetings are held at definite intervals and could feature guests at times and any guests. The purpose of such meetings includes a review of the organization's performance, addressing policy issues, proffering solutions to major issues that the organization is facing, and so on. These meetings are headed by the chairperson of the organization. The frequency of these meetings has been hypothesized and researched to determine how excess, shortage or average frequency of meetings affect financial reporting quality.

2.1.4 Board Size

According to Şener and Karaye (2014), "board size, which is defined as the number of directors in the board of a company, is an important mechanism that affects the value of a company. It is viewed as an important factor to determine the effectiveness of the board". EL-Maude, Bawa, and Shamaki (2018) asserted that huge boards are less effective and simpler to manipulate by a CEO. On large boards, the cost of coordination and processing issues is also considerable, which makes decision-making challenging. On the other side, smaller boards tend to increase the firm's worth because they tend to decrease the chance of free-riding. The number of directors on the board was used to gauge its size.

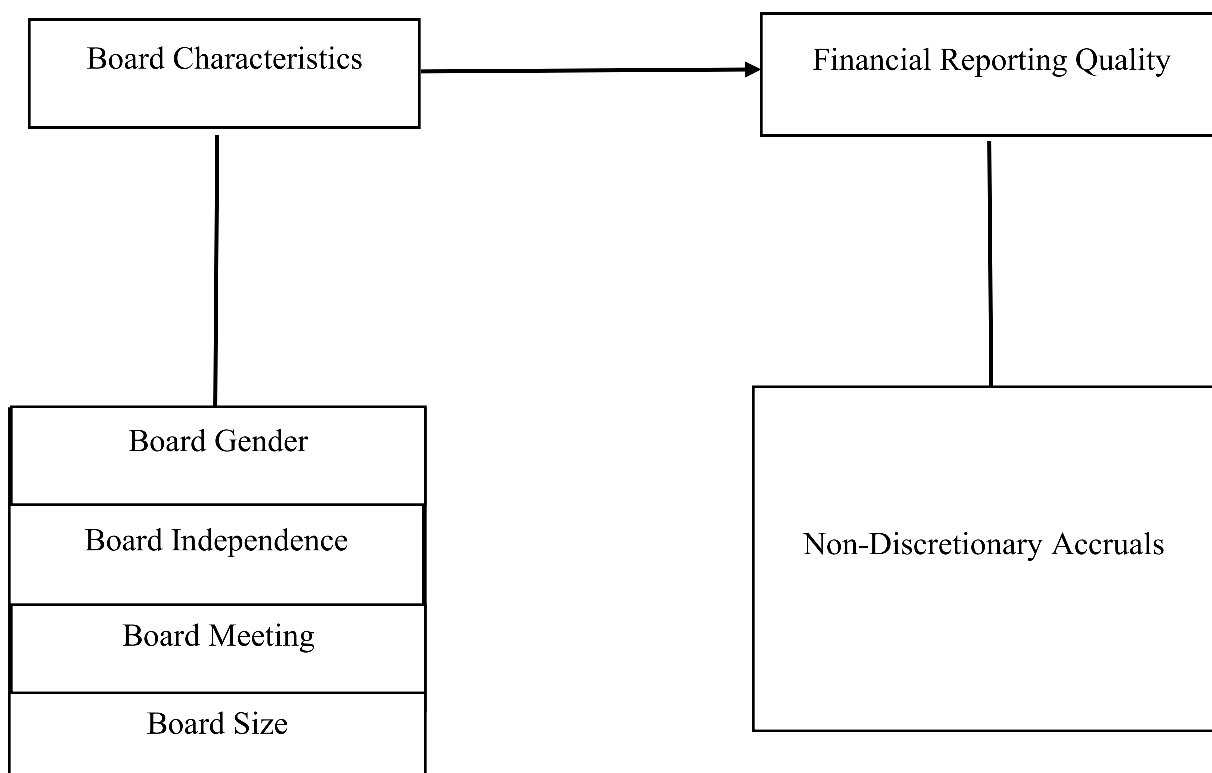
2.1.5 Financial Reporting Quality

Financial Reporting Quality is a term that describes the quality of financial statements. To conceptualise financial reporting quality, financial statements must be introduced. Financial statements are a report to owners of a company on how well the resources of the company were managed usually within a year. The financial statements of companies are considered the most important tools for making investment decisions. The financial statement shows the

financial state of a company to its owners among its many other uses. The standard of these financial statements are known as financial reporting quality and the standard of financial statement can be measured by it truthfulness to the actual events that took place during the financial year. Verdi (2006) as cited in Alzoubi (2014) In order to enlighten equity investors, FRQ is conceptually defined as the accuracy with which financial reporting conveys information about the firm's operations, particularly its predicted cash flows.

According to Aifuwa and Embele (2019), “the financial statement of any firm is expected to have the required qualitative attributes as stated by International Financial Reporting Standards which include relevance, comparability, and timeliness, understandability, faithful representation, and verifiability”. To ensure financial reporting quality, financial statements should provide truthful information to help investors, creditors, and other users assess the amounts, timing, and uncertainty of prospective net cash inflows to the related enterprise. The financial statement should always depict detailed information about the economic performance of a firm (as highlighted in the income statement), the statement of financial position, the statement of cash flows, and the statement of changes in equity (IAS 1). This is to ensure that the information provided is of high quality.

Figure 2.1 Independent and dependent variables



Research Design (2022)

2.2 Theoretical Review

2.2.1 Agency Theory

“Based on the agency theory, an agency relationship is a contract whereby one or more person (principal) engages another person (agent) to perform some service on their behalf, which involves delegating some decision-making authority to the agent” (Jensen and Meckling, 1976). Agency theory refers to a set of propositions in governing a modern corporation which is typically characterised by a large number of shareholders or owners who allow separate individuals to control and direct the use of their collective capital for future gains. These individuals who control and direct the owners’ resources may not necessarily own shares but usually possess the relevant skills needed in managing and directing the business on profitable paths.

“The board of directors, as the enterprise’s management agency, inspects and monitors the activities of top managers on behalf of the shareholders, and plays an important role in controlling the agency issue” (García-Meca & Sánchez-Ballesta, 2009). The board of directors are the agents who have been given the authority by the shareholders to perform duties and actions that they deem would be of utmost help to the shareholders. This theory when applied to consumer goods companies assumes the board of directors of the company as agents and the owners of the company as a principal.

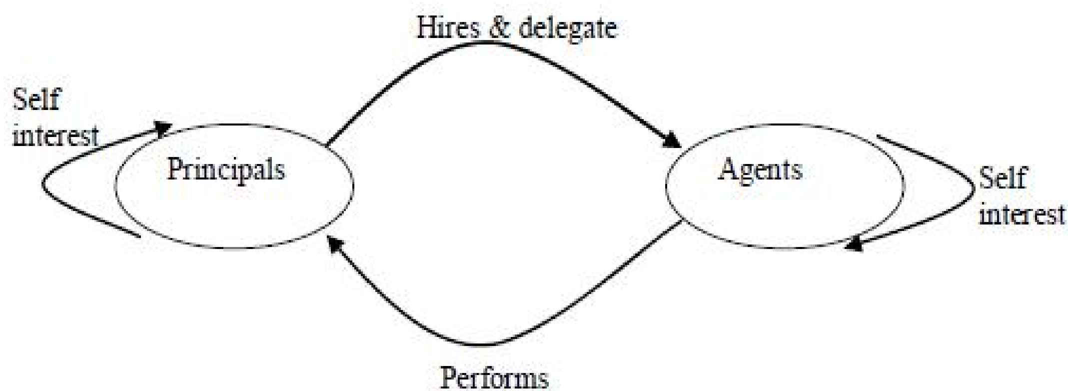
Agency theory’s roots are found in economics and are being used across many disciplines. The agency theory focuses on handing resources to the agent, who is then expected to produce a report in both a qualitative and quantitative form and to align his interests with those of the business's owners in order to achieve the organization's stated objectives.

However, Al-Othman and Al-Zhoubi (2019) argued that “the separation of ownership from management led to the occurrence of what is known as the problems of the agency. In order to control the performance of the management of the institution, the institutional governance had the need to form a board of directors that has qualitative characteristics and determined their composition and the qualifications of their members and committees”.

Furthermore, Eisenhardt (1989) elaborated that “agency theory is concerned with resolving two problems that arises from conflict of the desires or goals of the principal and agent and/or when it is difficult or expensive for the principal to verify what the agent is actually doing”.

This suggests that there is a risk in placing agents to manage the resources of the principal as the interests of the agents can often conflict with the interests of the principal which the company should be run by. (Eisenhardt, 1989) argued that agency theory asserts that managers are motivated by self-interest and that their interests are often different to the owners' interests.

Figure 2.2 Agency theory illustration



Source: https://www.papertyari.com/general-awareness/management/theories-corporate-governance-agency-stewardship-etc/

Cao, Yang, and Liang, (2021) argued that "the separation of ownership and control in modern enterprises may lead to conflicts of interest between directors and managers, which is called agency problems. Due to agency issues, agency costs are paid to managers to encourage them to make decisions on behalf of shareholders". This is made possible because the managers or agents have more knowledge on the business than the principals. A solution would then be to give the managers remunerations befitting to them but the outcome is not always as expected.

According to Cao et al. (2021), "the goal of corporate governance is to solve agency problems, and the board of directors is an important part of the corporate governance structure". The agent's interests are controlled with rewards and punishments from the principal.

This study is hereby anchored by this theory because one of the major roles of the board of directors, who are hired by shareholders, is to manage the resources given to them and make optimal profit out of it. The result of the board of directors' efforts is reflected in the financial

statements hence, the study of the effects of the board of directors' characteristics on corporate financial reporting quality.

2.2.2 Stakeholder Theory

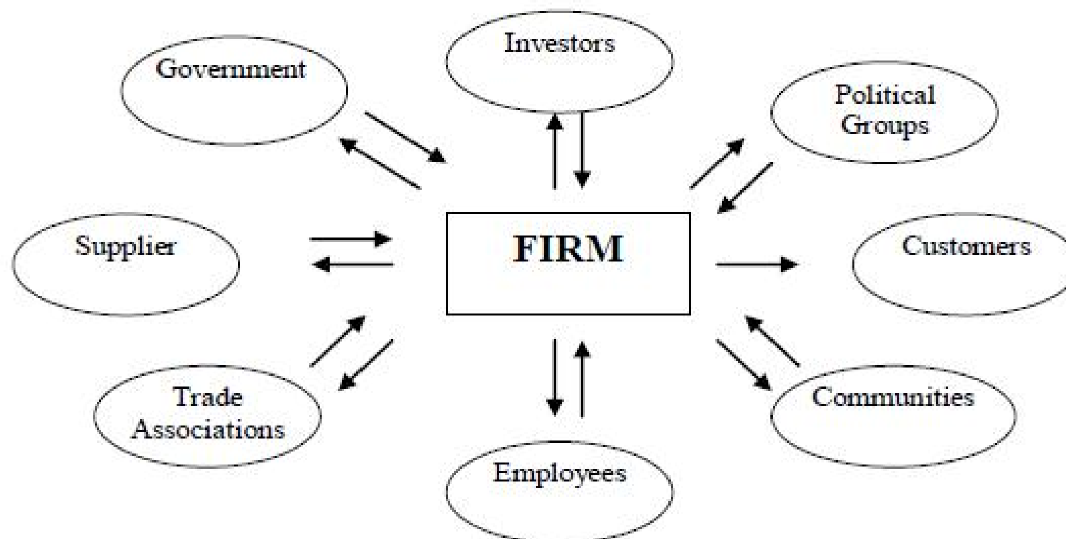
Before delving into the theory of stakeholder, it is paramount to state that stakeholders refer to individuals that are affected by a company's decisions. Stakeholder theory, otherwise known as stakeholder thinking, states that a company should account for groups and individuals, beyond its shareholders that are affected by its decisions. According to the stakeholder theory, a stakeholder is any group or person who can influence or be affected by the accomplishment of an organization's goals. In other terms, a stakeholder is everyone who will be impacted by the enterprise's success or failure.

According to Ajibulu, Yahaya, and Agbi (2021), t"he stakeholder ecosystem, this theory says, involves anyone invested and involved in, or affected by, the company: employees, environmentalists near the company's plants, vendors, governmental agencies, and more". "Stakeholders have divergent interests and organisational success is dependent on the ability to balance and satisfy those stakeholders" (Hung, 1998).

Robert Edward Freeman who is regarded as the father of stakeholder theory published a book in 1984: "Strategic Management: A Stakeholder Approach". In his book, he argued that companies should not only focus on shareholders because they provide capital, but should pay attention to other groups and individuals affected by the company's decisions to achieve true lasting success.

EL-Maude et al. (2018) stated that while "agency theory places primary emphasis on shareholders' interests, stakeholder theory emphasises taking care of the interests of all stakeholders, and not just the shareholders". Contrary to the agency theory, stakeholder theory showed that a number of parties, including suppliers, employees, investors, and others, are impacted by management actions.

Figure 2.3 Stakeholder theory illustration



Source: https://www.papertyari.com/general-awareness/management/theories-corporate-governance-agency-stewardship-etc/

(Parmar, Freeman, Harrison, Wicks, Colle, and Purnell, 2010) observed that "throughout the 1980s and 1990's Freeman and other scholars shaped this vocabulary to address these three interconnected problems relating to business:

- The problem of value creation and trade: In a rapidly changing and global business context, how is value created and traded?
- The problem of the ethics of capitalism: What are the connections between capitalism and ethics?
- The problem of managerial mind-set: How should managers think about management to better create value and explicitly connect business and ethics?"

This theory however can be argued to be deficient as it makes the resources of an enterprise to be shared with different groups in the environment in which it operates, hence, leading to reduction in the wealth of shareholders who solely contribute capital and bear risks. The focus of stakeholder theory can be summed up in two core questions:

- What is the purpose of a firm?
- What responsibility do managers of firms have to stakeholders?

According to Parmar et al. (2010), "stakeholder theory suggests that if we adopt as a unit of analysis the relationships between a business and the groups and individuals who can affect or are affected by it then we have a better chance to deal with these three problems". Stakeholder theory when applied to consumer goods companies calls for companies to broaden their attention on stakeholders and not focus on shareholders alone.

2.2.3 Stewardship Theory

Stewardship theory was introduced in 1989 by Donaldson and Davis and poses a normative substitute to agency theory. It is a theory that is mostly applied to family businesses. According to WordWeb Dictionary, a steward is someone who manages property or other affairs for someone else; stewardship theory posits that managers (stewards) would be faithful to their responsibilities. "Simply, the stewardship theory is a theory that managers, left on their own, will act as responsible stewards of the assets they control, and describes the existence of a strong relationship between satisfaction and organizational success" (Dewiyanti, 2021) . "A stewardship theory holds that corporate ownership doesn't have anything to do with the business; rather, it's a symbol of trust and honour, hence the concept of an operation aimed at honouring a founder's vision or the meaning of a business operation might go beyond profit" (Olivia, 2022).

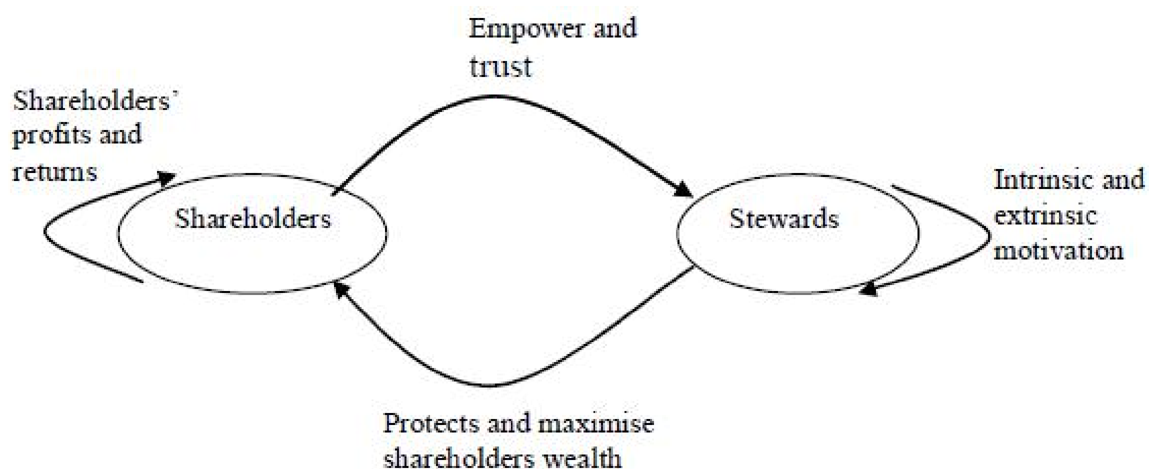
Stewardship theory is a theory that assumes people put in charge of the organisation would manage their work faithfully. According to (Olivia, 2022) , "stewardship theory holds that people are intrinsically motivated to accomplish the work they have been given by others and by organizations". It does not give room for the assumption of agency theory which addresses the issue of tendency of the management to act in their own interests rather, it emphasizes how the success of the business can motivate the management (steward) to maximise the wealth of shareholders.

"Stewardship theory posits that senior management, as stewards of an organisation, are motivated by achievement and recognition. Their interests are said to align with the owners' interests" (Donaldson & Davis, 1991). According to (Dewiyanti, 2021) , "stewards are motivated by intrinsic rewards, such as trust, reputational enhancement, reciprocity,

discretion and autonomy, level of responsibility, job satisfaction, stability and tenure, and mission alignment". Basically, stewardship theory works better collectively rather than individually and requires a lot of trust from both principal and steward.

However, stewardship theory has been often criticised for its lack of realism in the sense that it does not exactly represent the behavioural patterns of an average man. Men are prone to follow their interests and not the principal's interest. James J. Chrisman (2019) argued that "stewardship theory does not include assumptions regarding the ability of individuals to access and process information (bounded rationality) nor about pre-employment considerations, both of which are dealt with in agency theory and can influence the extent to which individuals will behave as organizational stewards".

Figure 2.4 Stewardship theory illustration



Source: https://www.papertyari.com/general-awareness/management/theories-corporate-governance-agency-stewardship-etc/

2.3 Empirical Review

2.3.1 Board Gender and Financial Reporting Quality

Ajibulu, Yahaya, and Agbi (2021) conducted research on the Nigerian banking sector using board gender and the standard of financial reporting, and came to the conclusion that more women need to be appointed to the boards of directors. Although the study's findings did not demonstrate a significant relationship between board gender and the calibre of financial reporting, it was noted that this was a symptom that there are very few women serving on bank boards of directors. This study used 12 listed deposit money institutions to assess the

impact of board quality on financial reporting using a correlational research approach. The study has a sector gap as it explores the banking sector and this current study will be bridging the gap by investigating the consumer goods sector.

Similarly Al-Othman and Al-Zhoubi (2019) also conducted a study on the effect of board gender on earnings quality in Jordan and found no evidence of a substantial impact. This study, which was done between 2011 and 2017, sought to determine the effects of the board of directors' characteristics on the industrial businesses' listed profits quality. 33 industrial enterprises that are listed on the Amman Stock Exchange made up the study's final sample because their data were accessible during the research period. The findings revealed that the average industrial company listed on the Amman Stock Exchange has an earnings quality of 73.6%. This study has a variable exclusion and geographical gap as it investigated the impact of the board characteristics on earnings quality in Jordan. This present study intends to bridge the gap by introducing the variable, financial reporting quality in Nigeria.

Moreover, Şener and Karaye (2014) have discovered comparable results. The websites of the businesses whose shares are traded publicly on the Nigerian Stock Exchange and Borsa Istanbul were used to get the data. The sample comprises of 102 Turkish and 94 Nigerian companies that were chosen at random and whose shares were traded in 2012. The variables were coded and analyzed by SPSS after data collection. The results show that there is no statistically significant difference between the two nations in terms of the underrepresentation of female directors and board gender diversity. The research's findings indicate that Turkey has a more pronounced underrepresentation of female directors. On the other hand, there is a statistically significant difference between the two nations in terms of board size and the proportion of independent board members. This study investigated board composition and gender diversity which comprises of variable exclusions that this present study intends to fill with financial reporting quality.

Contrary to the afore findings, Okechukwu, Aruwa, and Ame (2021) discovered that the timeliness of financial reporting by listed oil and gas businesses in Nigeria is positively and statistically significantly impacted by the gender diversity of the board of directors. The diversity of the board of directors broadens the strategic view of gender. Companies with female directors manage risk better because they are better at building relationships and participate in decision-making more actively than men do. Women are more committed to the social, environmental, and economic well-being of society. Women make ethical decisions,

which improves the timeliness of financial reporting. Similar to how the Italian government implemented a law mandating that one-third of the board members of publicly traded and state-owned businesses be women, regulatory bodies in Nigeria should be coordinated by that way of thinking. Similarly, organizations should have a large number of women on the board since they tend to increase the timeliness of financial reporting and investors now view gender diversity as a favorable investment variable when making investment decisions. A correlational research design was employed in the study. The population of the study consisted of the eleven (11) oil and gas businesses that were publicly traded on the Nigerian Stock Exchange (NSE) as of December 31, 2020. The census sampling approach was used to select a sample size of all eleven (11) of these companies. Panel data and multiple regression analysis were used in the study's data processing process. The study examined board characteristics and financial reporting timelines of quoted oil and gas companies which has variable exclusions and sector gaps. The current study intends to fill with financial reporting quality in Nigerian consumer goods sector.

Arvanitis, Varouchas, and Agiomirgianakis (2022) looked into whether, between 2008 and 2020, the financial performance of 111 Greek listed companies was impacted by board gender diversity. As recommended by governance literature, they employed the two-step system GMM estimator to deal with the endogeneity issue. Their empirical results confirmed a positive link between gender diversity on boards and improved corporate performance. This finding holds true for three distinct gender diversity proxies as well as for two additional performance metrics, namely return on assets and Tobin's Q. They also discovered an inverse U-shaped relationship between firm performance (as determined by Tobin's Q) and the percentage of female directors. Additionally, they discovered that increase in female participation by 33% in the boardroom could maximize corporate performance when gender diversity occurs. The study examined board gender diversity and firm performance in Greek listed firms which brings up variable exclusions and geographical gap that this current study intends to fill. This current study also intends to fill methodological gap as the past study used the two-step system GMM estimator.

Furthermore, Adeabaha, Gyeke-Dakob, and Andoh (2017) undertook their research to analyse bank efficiency in light of board gender diversity and look at factors that affect bank efficiency. A two-step framework's first stage result revealed that, on average, banks saw a 7.9 percent increase in efficiency as a result of board gender diversity. The results of the

second stage regression suggested that there is a threshold effect on bank efficiency, with gender diversity promoting bank efficiency up to a maximum of two female directors on a nine-member board. The studies showed that gender diversity has a positive "valuation effect." As a result, they came to the conclusion that gender diverse boards should not only be viewed as desirable but also as a resource that must be reached economically if gender diversity is to have the greatest efficiency-enhancing impact. This study investigated board gender diversity, corporate governance and bank efficiency in Ghana, hence, creating variable exclusion, sector gap, and geographical gap that the current study intends to bridge.

Likewise, Orazalin (2019) His analysis examined data from the top public corporations between 2010 and 2016. Financial information was gathered from audited financial statements, while information on business governance was manually gathered from annual reports and investment memoranda. The empirical findings demonstrated that corporations with higher gender diversity on their boards were more successful at limiting their ability to manage profitability. The results further corroborate the study's theoretical framework by showing that organizations with larger boards use more conservative approaches for managing earnings. This study examines board gender diversity, corporate governance, and earnings management which provided variable exclusions that will be treated in this present study.

Bosi, Khan, Lajuni, and Riyard (2020) studied the association between board gender and IFR quality (IFRQ), moderated by Effectiveness of Internal Audit Function (EIAF), with the primary goal of the study being to establish the extent of qualitative characteristics of IFR across Malaysian listed businesses. 160 businesses from 11 Malaysian related industries were chosen using a non-probability purposive sample method in a qualitative manner to evaluate these correlations. Partial Least Squares Structural Equation Modeling (PLS-SEM) through WarpPLS version 7.0 was used to analyze the data. The outcomes demonstrate that female directors increase IFRQ considerably. The current study intends to bridge the methodological gap with the past study.

2.3.2 Board Independence and Financial Reporting Quality

Ajibulu et al. (2021) stated that there is no proof that independent boards provide better financial reports. With the help of 12 listed deposit money institutions, a correlational study design was employed to investigate the impact of board quality on financial reporting.

Similarly, Al-Othman et al. (2019) discovered that board independence has no discernible effect on the quality of earnings. The findings revealed that the average industrial company listed on the Amman Stock Exchange has an earnings quality of 73.6%. This study, which looked at listed industrial companies from 2011 to 2017, sought to determine the effect of board of director characteristics on the quality of earnings. 33 industrial enterprises that are listed on the Amman Stock Exchange made up the study's final sample because their data were accessible during the research period. The study has variable exclusion, geographical gap, sector gap and methodological gap which the present study intends to examine.

Ogbaisi, Areo, and Omotayo (2019) shown in their study that board independence had a favorable insignificant effect on financial reporting quality, suggesting that the number of board members who are independent of the board has no meaningful impact on the quality of financial reporting. For the years 2010 to 2015, the study used information acquired from forty publicly listed companies. The study used ordinary least squares for the analysis as well as descriptive statistics and a correlation matrix. This study had variable exclusions which this present study intends to fill.

Rosellyn N.A. and Lusmeida D.H. (2019) also discovered through the outcomes of their investigation that board independence had no appreciable impact on earnings management. Manufacturing firms that were listed on the Indonesia Stock Exchange between 2013 and 2017 make up the population of this study. A total of 100 manufacturing businesses were included in the sample. The annual reports of the corporations were used to extract information about the board of directors' independence. Multiple regression analysis is used in the data analysis technique. This study had variable exclusion, geographical gap, and sector gap which this present study intends to fill.

Aifuwa et al. (2019) revealed that, at a 5% level of significance, the relationship between board independence and financial reporting quality was negligible. A company's board of directors should have fewer non-executive members in order to save management expenses; the effect of board characteristics on the financial reporting quality of listed manufacturing enterprises was looked into. The study's deductive methodology and positivist research philosophy guided its multi-method quantitative research design. To summarize the data and make judgments about the population under investigation, descriptive and inferential statistics were used. To evaluate the posed hypotheses, the Generalized Linear Model

Regression was used. The study had methodological gap, sector gap which the current study intends to fill.

However, Holtz and Neto (2014) discovered evidence demonstrating that the qualities of board independence positively influence the quality of reported accounting information, particularly with regard to the relevance of equity, for companies that trade stocks on the BM&FBovespa in the Brazilian market. Board independence was found to have a favourable impact on earnings informativeness. This suggests that organizations with more independent boards of directors have more informative earnings. The non-financial companies listed on the BM&FBovespa with yearly stock market liquidity greater than 0.001 were included in the data sample used for the multivariate multiple regression approaches, which covered the years 2008 through 2011. Data were gathered from the Economática® database as well as directly from yearly reports and reference forms that were made available on the websites of the Securities Commission or the BM&FBovespa. Data analysis was carried out computing the relevance models of accounting information and informativeness of earnings using multiple regression approaches. This study has variable exclusion and geographical gap which this present study intends to fill.

Sanni, Shalli, and Kanwa (2019) conducted a research and the outcome of the random effect regression demonstrated that the financial performance of listed deposit money banks in Nigeria is positively and significantly impacted by board independence. Based on the findings, the study advised banks to have a sizable percentage of independent non-executive directors who will actively participate in the process of making strategic decisions and getting access to vital resources that will boost performance. This study looked at the impact of risk management and board independence on the financial performance of listed deposit money banks in Nigeria from 2009 to 2018. Correlational research strategy was employed in the study. Data were gathered from the publicly available yearly financial reports of the Nigerian deposit money institutions that were studied. The 14 listed deposit money banks made up the study's population. Utilizing a three-point filter, the adjusted population of Nigeria's twelve (12) listed deposit money banks was determined. The study was supported by the use of agency theory, credit risk theory, and extreme value theory. Using the random effect multiple regression technique, the data were analysed. This study has variable exclusion and sector gap which the present study intends to fill.

Findings from the study of Okechukwu et al. (2021) also showed that the timely financial reporting of quoted oil and gas businesses in Nigeria is positively and statistically significantly influenced by the independence of the board of directors. The report suggested that non-executive directors should predominate on the boards of Nigerian oil and gas corporations. Furthermore, the non-executive directors' share of the total board of directors should not be less than 40%. This is because non-executive directors have little to no connection to the company in terms of equity ownership and managerial involvement, which improves timely financial reporting and strengthens corporate governance. Furthermore, by effectively overseeing administrative actions, the board's predominance of non-executive directors can avoid financial fraud. This study harbours variable exclusion and sector gap that the current study intends to fill.

Alqaraleh, & Ahmad (2018) deduced from their findings that there is a strong and positive correlation between board independence and the accuracy of financial reporting. A correlational research design was employed in the study. The information was gathered from the 172 Jordanian publicly traded companies' published annual financial reports. STATA software was used to evaluate the data that was gathered. This study has variable exclusion and geographical gap that this present study intends to fill.

Garkaz, Abdollahi, and Niknam (2016) investigated how the board's qualities affected how quickly listed companies on the Tehran Stock Exchange reported their financial data. The findings show a significant and favorable association between board independence and timely financial reporting. The number of days between the end of the fiscal year and the date of the independent auditors' reports is used to determine how timely financial reporting is. This study looks at how the board's qualities affect how quickly listed companies on the Tehran Stock Exchange publish their financial data. The samples span the years 2010 to 2014 and contain 107 Tehran Stock Exchange members.

Bosi, Khan, Lajuni, and Riyard (2020) additionally discovered that independent directors greatly enhance IFRQ. They added that it appears that the EIAF exclusively controls independent directors.

Contrary to afore studies, Alzoubi (2014), the results of the systematic observation show a negative relationship between board independence and earnings management. In order to accurately examine the primary effects of board characteristics on Earnings Management for

a sample of 86 industrial listed companies on the Amman Stock Exchange (ASE) during the years 2008 to 2010, a cross-sectional version of the Modified Jones Model is utilized in this paper. For earnings management, discretionary accruals are utilized as a stand-in. This study harbours variable exclusion, sector gap, and geographical gap which the current study intends to fill.

Onwuchekwa and Madumere (2019) also discovered a negative correlation between Nigerian companies' earnings management techniques and board independence. Six years of data from a longitudinal survey were used (2007-2012). The financial statements of the 88 chosen non-financial enterprises quoted on the Nigerian Stock Exchange were used to extract historical data. The fixed effect Panel least squares regression was the statistical tool that was employed. This study has variable exclusion that the current study intends to fill.

2.3.3 Board Meetings and Financial Reporting Quality

Okechukwu et al. (2021) found from their research that board meetings have a favourable but statistically negligible impact on how quickly oil and gas companies listed in Nigeria filed their financial reports. A correlational research design was employed in the study. The population of the study consisted of the eleven (11) oil and gas businesses that were publicly traded on the Nigerian Stock Exchange (NSE) as of December 31, 2020. The census sampling approach was used to select a sample size of all eleven (11) of these companies. Panel data were employed in the study, hence multiple regression analysis was used to analyse the data.

Al-Daoud, Saidin, and Abidin (2016) through the results of their research, it is suggested that there is a link between corporate board meeting frequency and company performance. The study looked at the effect of board meeting frequency on the company performance of the companies listed on the Amman Stock Exchange for the 2009–2013 period in the industry and service sectors. The dynamic panel method of the Generalized Method of Moments was used in the study to control for endogeneity and concurrent issues (GMM). They recommended that board members decide operational issues at meetings by often conversing and interacting with one another, boosting the decision-making process and subsequently the performance of the firms. This study had variable exclusions, methodological gap and geographical gap which the present study intends to fill.

Eluyela, Akintimehin, Okere, Ozordi, Osuma, Ilogho, and Oladipo (2018) did a study to look at the effect of board meeting frequency on deposit money banks in Nigeria's performance. The annual reports of the deposit money banks listed on the Nigeria Stock Exchange (NSE) market provided the source of the data for the study. To check for a meaningful relationship between the variables, they used a panel regression. The primary empirical finding indicated a favourable correlation between the frequency of board meetings and firm success. This study had variable exclusion and sector gap which the current study intends to fill.

Kyei, Werner, and Appiah (2021) documented that board meeting and bank performance have a positive and strong correlation, according to research. This study looked at the connection between African bank performance and board meetings. After accounting for the endogeneity of the connection between board meetings and performance, the research report offered insight into the subject. In particular, the GMM approach and a sample of 635 banks from 48 African nations were used to test the hypothesis between 2000 and 2016. The results showed that banks' performance in sub-Saharan Africa suffers when there are more board meetings—on average, six meetings per month. This study has variable exclusion and sector gap which the present study intends to bridge.

Hanh. Ting, Kweh, and Hoanh (2018) undertook a study to examine the impact of board meeting frequency on the yearly financial results of listed companies. From 2013 to 2015, 94 companies listed on the Ho Chi Minh Stock Exchange were employed. Returns on assets, equity, and sales were used as metrics to assess financial performance. The findings indicated that the sample firms' financial performance is negatively impacted by the frequency of board meetings. Low returns on assets, equity, and sales were associated with frequent board meetings. Overall, it was determined that a key element affecting financial performance is the standard of board meetings. This study contains variable exclusion and geographical gap which the current study intends to bridge.

Ajibulu et al. (2021) did not discover any proof that the quality of the financial reports was improved by board meetings. Additionally, it was stated that even while not statistically significant, the number of board meetings should be decreased because there is no proof that they have an impact on the accuracy of financial reporting. With the help of 12 listed deposit money institutions, a correlational study design was employed to investigate the impact of board quality on financial reporting.

Similarly, El-Maude et al. (2018) discovered that the board meeting had a T-Value of 1.45, which is adversely insignificant. It was determined that frequent board meetings would hurt the Return of Assets (ROA) of Nigeria listed consumer goods companies in because they would make it harder for outside directors to perform effective managerial monitoring. Purposive sampling (filter) and an expo factor research design were employed in the study's research design and sample methodology. The study's target population consists of ten (10) out of Nigeria's twenty (20) publicly traded consumer goods companies. Using STATA, descriptive statistics, correlation analysis, and regression analysis were used to analyze the data (version 11). The descriptor result shows that the return on assets has a range of values between -0.0400 and 0.4700 with a standard deviation of 0.1038 and a mean of 0.1199. The study used secondary data obtained from the Nigeria Stock Exchange fact book and the annual reports and accounts of the sampled companies. This study contains variable exclusion which the current gap intends to bridge.

Akpan (2015) also discovered that board meetings had a detrimental impact. 79 firms that were listed on the Nigerian Stock Exchange between 2010 and 2012 were used as a sample for the study, which looked at the association between board meeting frequency and company performance. ROE (Return On Equity) was used to measure it. This study had variable exclusion which the current study intends to bridge.

However, Aryani, Setiawan, and Rahmawati (2017), based on their findings, came to the conclusion that the performance of the company is unaffected by the frequency of board meetings. The goal of the study was to determine how frequently board meetings correlate with a company's profitability as assessed by its return on assets (ROA). The application of corporate governance ideas in Indonesia and their effects on business success served as the inspiration for this study. The companies listed in the Jakarta Islamic Index from 2006 to 2016 served as the study's sample. There were 175 observations made. This study had variable exclusion which the present study intends to bridge.

2.3.4 Board Size and Financial Reporting Quality

According to Okechukwu et al. (2021), the results show that the board size of listed oil and gas businesses in Nigeria has a favourable but statistically negligible impact on the timeliness of financial reporting.

Eluyela et al. (2018) also came to the conclusion that the results indicated that board size was favourable and not significant.

Malik, Wan, Ahmad, Naseem, and Rehman (2014) had findings that were at odds with the body of knowledge regarding the relationship between corporate governance factors and firm performance. The paper's most notable finding was the strong correlation between board size and bank performance. The study looked at the connection between board size and company performance. The Pareto Approach was used to test this link in the context of Pakistani banking. In order to accomplish this, a sample of fourteen Pakistani listed commercial banks from the years 2008 to 2012 were chosen for analysis. The association between bank performance factors and corporate governance policies in these institutions was examined using a variety of econometric models. According to the findings, a sizable board can improve bank performance in the Pakistani context. This study had variable exclusion and geographical gap which this study intends to fill.

Alqaraleh and Ahmad (2018) findings revealed a significant and favourable association between board size and the accuracy of financial reporting.

According to Ajibulu et al. (2021), with specific research, they found that expanding the board of directors will improve the quality of financial reporting.

Topal and Dogan (2014) had findings that suggested there was a correlation between the board size, Return on Asset, and Z Altman score. On the other hand, another study finding revealed that board size had little bearing on Tobin's q or return on equity. The study's sample included information from 136 companies that were active in the manufacturing industry division of Borsa Istanbul between the years of 2002 and 2012. (BIST). The robust estimator created by Beck-Katz (1995) was applied to the empirical analyses. This study had variable exclusion, sector gap, methodological gap, and geographical gap which the present study intends to fill.

Garkaz et al. (2016) obtained findings that showed a strong and positive correlation between board size and the timeliness of financial reporting.

Onaolapo, and Adelowotan (2017) undertook a study that looked at the connection between board size and the financial success of 35 non-financial companies listed on the Nigerian Stock Exchange. The outcome showed a favourable and significant correlation between the

two financial performance proxies and board size, as surrogated by the natural log of the number of directors on the board (Return on assets and Return on equity). The study was conducted between 2003 and 2014 utilising the estimate techniques of panel data regression analysis and Fixed effects model. The study's data corroborate the recommendation that a listed company's average board size be at least 9 members in order to achieve superior financial performance. This study had variable exclusion and methodological gap which the present study intends to fill.

Holtz and Neto (2014) discovered that a greater board size has a detrimental impact on earnings informativeness (more than nine members).

Ibrahim, and Salihu (2015) undertook a study to investigate the connection between the corporate attribute of board size and the market value of companies in Nigeria's chemical and paints sector. For the years 2004 through 2012, a sample of six businesses was used. Board size was employed in the study as a corporate governance attribute, while share market price was used as a stand-in for equity market value. The study's findings using correlation and multiple regression analysis suggested that the size of the board has a negligible impact on the market value of equity, i.e., that the market value of equity declines as the number of directors on the board rises. It was recommended that the sector keep a lean but effective board that could exercise better control and oversight over management activities. This study had variable exclusion and sector gap which the current study intends to fill.

According to El-Maude et al. (2018), board size is adversely significant at 1% and has a T-value of 2.70. According to the study, smaller boards are more efficient than larger ones.

Cao et al. (2021) after separating the sample into high-tech and non-high-tech businesses, produced findings that demonstrated there is a negative link between the size of the board of directors and company performance. According to the findings, an odd number of directors performs better than an even number of directors. This study examines the correlation between corporate board size and corporate success by choosing 372 businesses in the US S&P 500 from 2013 to 2017 as a sample and using empirical research techniques to evaluate the hypothesis. This study has variable exclusion and methodological gap which the present study intends to bridge.

2.4 Gaps in Literature

Most of the empirical findings on corporate governance and corporate financial reporting quality were based in foreign countries (Dianati et al., 2017; Al-Othman et al. 2019, Orazalin, 2014) but this present study contributes to the few studies in Nigeria. Most of the studies reviewed only examined the effect of one variable at a time on the dependent variable (Arvanitis et al., 2022; Okechukwu et al., 2021; Holtz et al., 2014) whereas this current study examines the effect of four variables at a time on the dependent variable. Moreover, previous studies mostly used the multiple regression model (Eluyela et al., 2018; Kajola et al., 2017) while this study uses logistic regression model which is not common to studies of this type. The previous studies conducted research in other industries (Topal et al., 2014; Rosellyn et al., 2019), hence, this study adds to the existing literature in consumer goods industry. Hereby, this study bridges variable exclusions, geographical, methodological, and sector gaps.

Table 2.1a Empirical Review Summary

S/N	Author(s) and Year	Title	Journal	Variables	Methodology	Findings	Gaps
1	Ajibulu, Yahaya, and Agbi (2021)	Board of directors and quality of financial reports of quoted banks: evidence from Nigeria.	UMYU Journal of Accounting and Finance Research, 1(1)	Board size, board independence, board meetings, board tenure, board gender and board expertise, quality of financial reports.	Secondary data, Correlational research design.	Positive.	Industry exclusion.
2	Sepasi, Deilami, and Tavakoli (2017)	Internal Audit, Board of Directors and Financial Reporting Quality.	International Journal of Finance and Managerial Accounting, 2(8)	Internal audit quality, board of director quality and financial reporting.	Primary data, descriptive statistics, pearson correlation.	Positive significant link.	Variable exclusion and geographical exclusion.
3	Nguyen, Le, Tran (2021)	The Effects of Board Characteristics on Financial Reporting Timeliness: Empirical Evidence from Vietnam.	Journal of Asian Finance, Economics and Business, 8(11)	The timeliness of financial statements, the duality of chairman, the age of chairman, and the change of members of the board of directors.	Secondary data, OLS regression method, strong standard error method and FGLS.	Positive	Variable exclusion and geographical exclusion.

Table 2.1b Empirical Review Summary

4	Alqaraleh, and Ahmed (2018)	The impact of the board of directors' characteristics on the completeness of financial reports in Jordan.	International Journal of Academic Research in Business and Social Sciences, 8(11).	Board size, board independence, leadership structure and completeness of financial reporting.	Secondary data, correlational research design, Stata.	Positive and significant relationship.	Variable exclusion and geographical exclusion.
5	Al-Othman, and Al-Zoubi (2019)	The impact of the board of directors' characteristics on earnings quality of listed industrial companies on the Amman stock exchange.	Academy of Accounting and Financial Studies Journal, 23(1).	Board size, duality, directors' ownership, independence of directors, experience, qualification, gender of board of directors, and earnings quality.	Secondary data, descriptive analysis, multiple regression analysis.	Positive and significant impact.	Variable exclusion and geographical exclusion.
6	Ogbaisi, Areo, and Omotayo (2019)	Board attributes and quality of financial reporting in Nigerian companies: an empirical evidence.	Malaysian E Commerce Journal (MECJ), 3(2) .	Board expertise, board independence, financial reporting quality.	Secondary data, descriptive statistics, correlation matrix, and ordinary least square.	Positive insignificant relationship.	Variable exclusion.

CHAPTER THREE

METHODOLOGY

3.0 Preamble

The plan, design, structure, blueprint, strategy, and outline chosen to coherently and logically combine the many components of the study is known as research methodology. The steps and methods used to conduct the research were described in this part. It covers the study's population, the model's specifications, and other related subject matter.

3.1 Research design

Because the study needed to use historical data to gauge the impact on current events, it used an ex-post facto research approach using panel data technique. It made use of verified dates that were taken from the sampled firms' annual reports and financial statements. In order to evaluate the impact of board characteristics on the accuracy of business financial reporting, secondary data was employed. Panel data was also be used in the study.

3.2 Population, sample size, and sampling technique

The thirty-four (34) identified consumer goods companies operating in Nigeria as of December 31, 2020, make up the study's population. This study's sample consists of fifteen (15) carefully chosen consumer products companies in Nigeria. The judgemental sampling technique was used for the sampling for this investigation.

3.3 Data collection

This study used secondary data, where all information about the qualities of the board of directors and the corporate financial quality was taken from the financial statements of fifteen (15) chosen companies over a period of eight years (2013-2020). This produced a total observation of 120. These financial statements are available in newspaper publications, websites, and even the companies' annual magazines however, the data are obtained from the websites of the respective companies.

3.4 Model specification

The model of the study was adapted for the study. The functional model is FRQ= f (BDS, BDI, BDM, BDG)

Where; FRQ= Financial Reporting Quality. BDS= Board Size, BDI= Board Independence, BDM= Board Meetings, and BDG= Board Gender

Logistic Regression model was computed in hierarchy format as follows:

Model 1: $FRQ= \alpha 0 + \alpha 1BDS + + \varepsilon$

Model 2: $FRQ= \alpha 0 + \alpha 1BDS + \alpha 2BDI + \varepsilon$

Model 3: $FRQ= \alpha 0 + \alpha 1BDS + \alpha 2BDI + \alpha 3BDM + \varepsilon$

Model 4: $FRQ= \alpha 0 + \alpha 1BDS + \alpha 2BDI + \alpha 3BDM + \alpha 4BDG + \varepsilon$

Where; $\alpha 0$= Constant, $\alpha 1$ - $\alpha 4$= Coefficient of Independent variables, and ε= Error Term

3.5 MEASUREMENT OF VARIABLES

The measurement of all the variables of this study is summarised below. However, the itemization below might not fully expatiate the measurements due to the lack of mathematical equations. This will be sorted below the table.

Table 3.5 Measurement of Variables

S/N	DEFINITION	VARIABLES	MEASUREMENT
1	Financial Reporting Quality (Dependent Variable)	FRQ	Variable is measured by cash flow including the modified Jones (1991) model.
2	Board Gender (Independent Variable)	BDG	The proportion of female directors on the board serves as a proxy for the variable. Ajibulu et al. (2021).
3	Board Independence (Independent Variable)	BDI	The ratio of executive to non-executive directors serves as a proxy for the variable. Ajibulu et al. (2021).
4	Board Meetings (Independent Variable)	BDM	By how frequently the board meets, the variable is measured. Ajibulu et al. (2021).
5	Board Size (Independent Variable)	BDS	The total number of directors on the board serves as a proxy for the variable. Nguyen et al. (2021).

Financial Reporting Quality which is the dependent variable of this study was matched with Discretionary Accrual (DACC) which will be measured using Modified Jones (1991) Model.

Firstly, to estimate TA_{it}, the following equation was used:

$TA_{it} = \Delta$ Current $Assets_{it}$ - $\Delta Cash_{it}$ – Current Liabilities + Δ STD_{it} - DAE_{it} -------------equation 2

Where; Δ Current $Assets_{it}$ = Current Assets in year t less current assets in year t − 1 for firm i;

Δ $Cash_{it}$ = cash in year t less cash in year t − 1 for firm i;

Δ Current $Liabilities_{it}$ = current liabilities in year t less current liabilities in year t − 1 for firm i;

Δ STD_{it} = debt included in current liabilities in year *t* less debt included in current liabilities in year *t* − 1 for firm *i*

DAE_{it} = depreciation and amortization expense in year t for firm i

The next step was to estimate the Normal Accruals (NA) for each company annually. The following regression model was employed to determine the regression coefficients:

$$\left(\frac{TA_{it}}{A_{it} - 1}\right) = \alpha_0 + \alpha_1 \left(\frac{1}{A_{it} - 1}\right) + \alpha_2 \left(\frac{\Delta R_{it}}{A_{it} - 1}\right) + \alpha_3 \left(\frac{PPE_{it}}{A_{it} - 1}\right) + \varepsilon_{it} \text{ ---------------------------------equation 3}$$

Where; ΔR_{it} = revenues in year t less revenues in year t − 1 for firm i;

PPE_{it} = gross fixed assets, plant, and equipment in year t for firm i;

$A_{it} - 1$ = total assets in year t − 1 for firm i; and

ε_{it} = error term in year t for firm i.

The regression coefficients (α_0, α_1, α_2, and α_3) will be substituted into equation 3 to obtain the residuals (ε_{it})

Normal Accrual (NA_{it}) will be estimated using the model below:

$$NA_{it} = \alpha_0 + \alpha_1 \left(\frac{1}{A_{t-1}}\right) + \alpha_2 \frac{(\Delta R_{it} - \Delta Rit)}{A_{t-1}} + \alpha_3 \frac{(PPE_{it})}{A_{t-1}} + \varepsilon_{it} \text{ ----------------------------------equation 4}$$

Where NA_{it} = normal accruals in year t for firm i;

ΔR_{it} = revenues in year t less revenues in year t − 1 for firm i;

ΔAR_{it}= accounts receivables in year t less accounts receivables in year t − 1 for firm i;

PPE_{it} = gross fixed assets, plant, and equipment in year t for firm i;

A_{t-1} = total assets in year t − 1; and

ε_{it} = error term in year t for firm i.

To estimate Discretionary Accrual, the following equation:

$$DACC_{it} = \frac{TA_{it}}{A_{it} - 1} - NA_{it} \text{ ---equation 5}$$

Where; $DACC_{it}$ = Discretionary Accrual in year t for firm i;

TA_{it} = Total Accruals in year t for firm i;

$A_{it} - 1$ = Total Assets in year t-1 (previous year) for firm i;

NA_{it} = Normal Accruals in year t for firm i;

3.6 METHOD OF DATA ANALYSIS

The data generated for this study using the selected 13 companies' annual reports was analysed using the application software, STATA 14.2. Descriptive statistics includes mean and standard deviation. Correlation analysis was used to answer the research questions. The data were analysed using logistic regression to test the hypothesis and examine the impact of board characteristics on corporate financial quality in the Nigerian consumer goods sector. Logistic regressions have the advantage of allowing researchers to estimate the dependent variable using more of the available data.

CHAPER FOUR

PRESENTATION OF RESULTS AND DATA ANALYSIS

4.0 Preamble

The display of results and data analysis are covered in Chapter 4. Statistical studies that were both descriptive and inferential were performed on the acquired data. For each of the study's variables, mean values and standard deviations were calculated. Descriptive statistics, correlation analysis, and logistic regression results make up the study's findings.

4.1 Descriptive Statistics

Descriptive statistics of the variables of the study are presented in Table 4.1 below. The minimum board of directors' size is 6 members while the maximum board of directors' size is 15 members. The mean score for board of directors' size is 10 members. The minimum board of directors' independence is 40% (0.40) while the maximum board of directors' independence is 113% (0.113). The mean score for board of directors' independence is 73.34% (0.7334). This value is above average and it can be deduced that board of directors' independence in the companies sampled is high.

Moreover, Table 4.1 shows further that the minimum board of directors' gender balance is 0% (0.00) while the maximum board of directors' gender balance is 57% (0.50). The mean score for board of directors' gender balance is 17.58% (0.1758). This value is far below average and it can be deduced that there is board of directors' gender imbalance among the companies sampled. The minimum board of directors' meeting's frequency is 2 while the maximum board of directors' meeting is 9. The mean score for board of directors' meetings frequency is approximately 5.

Table 4.1 reveals further that the mean of the absolute values of non-discretionary discretionary accruals (NDACC), the measure of financial reporting quality, is .4872 (Min = .00, Max = 1.00, SD = .50199). This mean score was used as the cut-off point to determine whether the financial report is of high or low quality. Thus, the discretionary accrual values were partitioned into two. Any value below the mean score was described as "high financial reporting quality" and was rated "1" while any value above the mean score was described as "low financial reporting quality" and was rated "0". The mean score was then estimated for

the dichotomous data obtained for financial reporting quality (FRQ). It appears that the financial reporting quality of the sampled companies is low because the mean score obtained is low (Mean = .4872, Min = 0.00, Max = 1.00, SD = .50199).

Table 4.1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
FRQ	117	.00	1.00	.4872	.50199
BDS	117	6.00	15.00	10.1282	2.35452
BDI	117	.40	1.13	.7334	.13201
BDG	117	.00	.50	.1758	.10416
BDM	117	2.00	9.00	4.8547	1.28160

Research Computation (2022)

4.2 Research Questions

In this study, four research questions were answered. Correlation analysis was deemed appropriate for addressing the research questions posed in this study since the study is interested in determining the relationship between financial reporting quality and four other independent variables (board of directors' characteristics).

4.2.1 Research Question One

Research question one attempted to investigate the effect of board of directors' size on financial reporting quality among listed companies in Nigerian consumer goods sector. Table 4.2 contains the correlation results relating to the research question one. The correlation results show that a non-significant positive relationship exists between board of directors' size and financial reporting quality (r = 0.151, Sig. = 0.104). This result suggests that board of directors' size may not have significant effect on financial reporting quality among the sampled listed companies in consumer goods sector of the Nigerian economy.

Table 4.2: Correlations Results (Research Question One)

		FRQ	BDS
FRQ	Pearson Correlation	1	.151
	Sig. (2-tailed)		.104
	N	117	117
BDS	Pearson Correlation	.151	1
	Sig. (2-tailed)	.104	
	N	117	117

Research Computation (2022)

4.2.2 Research Question Two

Research question two looked at the significance of the relationship between board of directors' independence and financial reporting quality among listed companies in Nigerian consumer goods sector. Table 4.3 contains the correlation results relating to the research question two. The correlation results reveals that a non-significant negative relationship exists between board of directors' and financial reporting quality (r = -0.010, Sig. =0.917). This result signifies that board of directors' independence may not have significant effect on financial reporting quality among the sampled listed companies in consumer goods sector of the Nigerian economy.

Table 4.3: Correlations Results (Research Question Two)

		FRQ	BDI
FRQ	Pearson Correlation	1	-.010
	Sig. (2-tailed)		.917
	N	117	117
BDI	Pearson Correlation	-.010	1
	Sig. (2-tailed)	.917	
	N	117	117

Research Computation (2022)

4.2.3 Research Question Three

Research question three examined the influence of board of directors' gender on financial reporting quality among listed companies in Nigerian consumer goods sector. Table 4.4 contains the correlation results relating to the research question three. The correlation results indicate that a non-significant negative relationship exists between board of directors' gender and financial reporting quality (r = -0.207, Sig. =0.25). This result suggests that board of directors' gender may not have significant effect on financial reporting quality among the sampled listed companies in consumer goods sector of the Nigerian economy.

Table 4.4: Correlations Results (Research Question Three)

		FRQ	BDG
FRQ	Pearson Correlation	1	-.207*
	Sig. (2-tailed)		.025
	N	117	117
BDG	Pearson Correlation	-.207*	1
	Sig. (2-tailed)	.025	
	N	117	117

Research Computation (2022)

4.2.2 Research Question Four

Research question four beamed a searchlight on the link between board of directors' meeting and financial reporting quality among listed companies in Nigerian consumer goods sector. Table 4.5 contains the correlation results relating to the research question four. The correlation results suggest that a non-significant negative relationship exists between board of directors' meeting and financial reporting quality (r = -0.090, Sig. =0.334). This result suggests that board of directors' meeting may have non-significant effect on financial reporting quality among the sampled listed companies in consumer goods sector of the Nigerian economy.

Table 4.5: Correlations Results (Research Question Four)

		FRQ	BDM
FRQ	Pearson Correlation	1	-.090
	Sig. (2-tailed)		.334
	N	117	117
BDM	Pearson Correlation	-.090	1
	Sig. (2-tailed)	.334	
	N	117	117

Research Computation (2022)

4.3 Hypotheses Testing

For this investigation, four hypotheses were developed. The study's hypothesis was tested using a logistic regression analysis since the dependent variable, financial reporting quality, was considered as a dichotomous variable with values of "0" and "1". The results of the logistic regression studies performed on the four hierarchical models are shown in the following subsections.

4.3.1 Hypothesis One

Hypothesis one states that board of directors' size has no significant effect on financial reporting quality among listed companies in Nigerian consumer goods sector. Table 4.6 shows the iteration history. Board of directors' size was first introduced into the logistic regression model and was run against financial reporting quality. Four iterations were run and the Log likelihood value of 159.433 was finally obtained.

Table 4.6: Iteration History (Model 1)

Iteration		-2 Log likelihood	Coefficients	
			Constant	BDS
Step 1	1	159.434	-1.355	.129
	2	159.433	-1.378	.131
	3	159.433	-1.378	.131

Research Computation (2022)

Table 4.7 contains the results of correlation analysis. There is only one independent variable in the model, so there is no need for testing for multicolinearity problem.

Table 4.7: Correlation Matrix

		Constant	BDS
Step 1	Constant	1.000	-.975
	BDS	-.975	1.000

Research Computation (2022)

Table 4.8 presents the model summary. The Log likelihood is 159.433, Cox & Snell R Square is .023 and Nagelkerke R Square is .030. These outcomes suggest that the model can predict the link between the dependent and independent variable accurately.

Table 4.8: Model Summary (Model 1)

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	159.433	.023	.030

Research Computation (2022)

Table 4.9 contains the ominubus test of model. The Chi-Square value is significant at 5% significant level (Chi-Square = 2.686, sig = .101). Therefore, it can be inferred that Model 1 is not a good fit for the data.

Table 4.9: Omnibus Tests of Model Coefficients (Model 1)

		Chi-square	df	Sig.
Step 1	Step	2.686	1	.101
	Block	2.686	1	.101
	Model	2.686	1	.101

Research Computation (2022)

Table 4.10 contains the classification table. The sensitivity of the model is 75.0%. That is, the model accurately predicted 75.0% of the companies with low financial reporting quality. The

specificity is 47.4%. That is, the model accurately predicted 47.4% of the companies with high financial reporting quality. The overall percentage accuracy of the model is 61.5%.

Table 4.16: Classification Table (Model 1)

	Observed		Predicted		
			NDACC		Percentage Correct
			.00	1.00	
Step 1	NDACC	.00	45	15	75.0
		1.00	30	27	47.4
	Overall Percentage				61.5

Research Computation (2022)

Table 4.11 contains the regression coefficient and the results of the Wald Test on the variables in the equation. The result of the Wald Test is non-significant (W= 2.616, Sig = .106). The exponential of the regression coefficient, Exp (B) is greater than 1 [Exp (B) = 1.140]. This outcome implies that as the board of directors' size increases, the possibility of recording high financial reporting quality also increases. This finding reveals that board of directors' size has non-significant positive effect on financial reporting quality. Therefore, the null hypothesis was accepted and it could be concluded that board of directors' size has non-significant effect on financial reporting quality among listed companies in Nigerian consumer goods sector.

Table 4.12: Variables in the Equation (Model 1)

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1	BDS	.131	.081	2.616	1	.106	1.140
	Constant	-1.378	.841	2.686	1	.101	.252

Research Computation (2022)

4.3.2 Hypothesis Two

Hypothesis two posits that board of directors' independence has no significant impact on financial reporting quality among listed companies in Nigerian consumer goods sector. Table

4.12 contains the iteration history. Board of directors' size and board of directors' independence were introduced into the logistic regression model and was run against financial reporting quality. Four iterations were run and the Log likelihood value of 159.172 was finally obtained.

Table 4.12: Iteration History (Model 2)

Iteration		-2 Log likelihood	Coefficients		
			Constant	BDS	BDI
Step 1	1	159.173	-.917	.138	-.731
	2	159.172	-.931	.141	-.750
	3	159.172	-.931	.141	-.750

Table 4.13 contains the results of correlation analysis. There are two independent variables in the model, so there is a need for testing for multicolinearity problem. The correlation results showed that there were no multicolinearity problems between the two independent variables ($r < 0.5$).

Table 4.13: Correlation Matrix (Model 2)

		Constant	BDS	BDI
Step 1	Constant	1.000	-.478	-.720
	BDS	-.478	1.000	-.247
	BDI	-.720	-.247	1.000

Research Computation (2022)

Table 4.14 presents the model summary. The Log likelihood is 159.172, Cox & Snell R Square is .025and Nagelkerke R Square is .033. These outcomes suggest that the model can predict the link between the dependent and independent variables more accurately.

Table 4.14: Model Summary (Model 2)

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	159.172	.025	.033

Research Computation (2022)

Table 4.15 contains the ominubus test of model. The Chi-Square value is significant at 5% significant level (Chi-Square = 2.947, sig = .229). Therefore, it can be inferred that Model 2 is a good fit for the data.

Table 4.15: Omnibus Tests of Model Coefficients (Model 2)

		Chi-square	Df	Sig.
Step 1	Step	.261	1	.610
	Block	.261	1	.610
	Model	2.947	2	.229

Table 4.16 contains the classification table. The sensitivity of the model is 70.0%. That is, the model accurately predicted 70.0% of the companies with low financial reporting quality. The specificity is 45.6%. That is, the model accurately predicted 45.6% of the companies with high financial reporting quality. The overall percentage accuracy of the model is 58.1%. These results imply that the model has a good predictive power.

Table 4.16: Classification Table (Model 2)

	Observed		Predicted		
			NDACC		Percentage Correct
			.00	1.00	
Step 1	NDACC	.00	42	18	70.0
		1.00	31	26	45.6
	Overall Percentage				58.1

Research Computation (2022)

Table 4.17 contains the regression coefficient and the results of the Wald Test on the variables in the equation. For the impact of board of directors' independence on financial reporting quality, the result of the Wald Test obtained is non-significant (W= .259, Sig = .611). The exponential of the regression coefficient, Exp (B) is lesser than 1 [Exp (B) = .472]. This outcome implies that as the board of directors' independence increases, the possibility of recording high financial reporting quality is expected to decrease. But since the result of the Wald Test obtained is non-significant, it can be suggested that board of directors' independence may not significantly impact on financial reporting quality. Therefore, the null

hypothesis was accepted and it could be concluded that board of directors' independence does not have significant impact on financial reporting quality among listed companies in Nigerian consumer goods sector.

Table 4.17: Variables in the Equation (Model 2)

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1	BDS	.141	.084	2.848	1	.091	1.152
	BDI	-.750	1.473	.259	1	.611	.472
	Constant	-.931	1.212	.590	1	.442	.394

Research Computation (2022)

4.3.3 Hypothesis Three

Hypothesis three suggests that board of directors' gender has no significant influence on financial reporting quality among listed companies in Nigerian consumer goods sector. Table 4.18 shows the iteration history. Board of directors' size, board of directors' independence and board of directors' gender were introduced into the logistic regression model and were run against financial reporting quality. Four iterations were run and the Log likelihood value of 132.904 was finally obtained.

Table 4.18: Iteration History (Model 3)

Iteration		-2 Log likelihood	Coefficients			
			Constant	BDS	BDI	BDG
Step 1	1	155.318	.748	.086	-1.371	-3.787
	2	155.300	.802	.090	-1.441	-4.013
	3	155.300	.803	.090	-1.442	-4.014
	4	155.300	.803	.090	-1.442	-4.014

Research Computation (2022)

Table 4.19 contains the results of correlation analysis. There are three independent variables in the model, so there is a need for testing for multicolinearity problem. All the correlation coefficients among the independent variables are very low ($r < 0.5$). These outcomes suggest that there is no multicolinearity problem among the independent variables.

Table 4.19: Correlation Matrix (Model 3)

		Constant	BDS	BDI	BDG
Step 1	Constant	1.000	-.545	-.704	-.590
	BDS	-.545	1.000	-.157	.288
	BDI	-.704	-.157	1.000	.241
	BDG	-.590	.288	.241	1.000

Research Computation (2022)

Table 4.20 presents the model summary. The Log likelihood is 155.300, Cox & Snell R Square is .057 and Nagelkerke R Square is .076. These outcomes suggest that the model can predict the link between the dependent and independent variable accurately.

Table 4.20: Model Summary (Model 3)

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	155.300	.057	.076

Research Computation (2022)

Table 4.21 contains the ominubus test of model. The Chi-Square value is significant at 5% significant level (Chi-Square = 6.819, sig = .078). Therefore, it can be inferred that Model 3 is a good fit for the data.

Table 4.21: Omnibus Tests of Model Coefficients (Model 3)

		Chi-square	df	Sig.
Step 1	Step	3.872	1	.049
	Block	3.872	1	.049
	Model	6.819	3	.078

Research Computation (2022)

Table 4.22 contains the classification table. The sensitivity of the model is 63.3%. That is, the model accurately predicted 63.3% of the companies with low financial reporting quality. The specificity is 52.6%. That is, the model accurately predicted 52.6% of the companies with high financial reporting quality. The overall percentage accuracy of the model is 58.1%. These outcomes suggest that the model has a good predictive ability.

Table 4.22: Classification Table (Model 3)

	Observed		Predicted		
			NDACC		Percentage Correct
			.00	1.00	
Step 1	NDACC	.00	38	22	63.3
		1.00	27	30	52.6
	Overall Percentage				58.1

Research Computation (2022)

Table 4.23 contains the regression coefficient and the results of the Wald Test on the variables in the equation. For the effect of the board of directors' gender on financial reporting quality, the result of the Wald Test obtained is non-significant (W= 1.013, Sig = .314). The exponential of the regression coefficient, Exp (B) is less than 1 [Exp (B) = .018]. This outcome implies that as the board of directors' gender representation increases, the possibility of recording high financial reporting quality decreases. However, since the result of the Wald Test obtained is non-significant, it can be assumed that board of directors' gender has no significant effect on financial reporting quality. Therefore, the null hypothesis was accepted and it could be concluded that board of directors' gender has no significant influence on financial reporting quality among listed companies in Nigerian consumer goods sector.

Table 4.23: Variables in the Equation (Model 3)

		B	S.E.	Wald	Df	Sig.	Exp(B)
Step 1	BDS	.090	.089	1.013	1	.314	1.094
	BDI	-1.442	1.529	.889	1	.346	.237
	BDG	-4.014	2.100	3.655	1	.056	.018
	Constant	.803	1.519	.279	1	.597	2.231

Research Computation (2022)

4.3.4 Hypothesis Four

Hypothesis four assumes that board of directors' meeting has no significant link with financial reporting quality among listed companies in Nigerian consumer goods sector. Table 4.24 shows the iteration history. Board of directors' size, board of directors' independence, board of directors' gender and board of directors' meeting were introduced into the logistic regression model and was run against financial reporting quality. Four iterations were run and the Log likelihood value of 155.261 was finally obtained.

Table 4.24: Iteration History (Model 4)

Iteration		-2 Log likelihood	Coefficients				
			Constant	BDS	BDI	BDG	BDM
Step 1	1	155.278	.861	.087	-1.359	-3.642	-.031
	2	155.261	.914	.090	-1.426	-3.864	-.032
	3	155.261	.915	.090	-1.427	-3.865	-.032
	4	155.261	.915	.090	-1.427	-3.865	-.032

Table 4.25 contains the results of correlation analysis. There are four independent variables in the model, so there is a need for testing for multicolinearity problem. All the correlation coefficients among the independent variables are very low ($r < 0.5$). These outcomes suggest that there is no multicolinearity problem among the independent variables.

Table 4.25: Correlation Matrix (Model 4)

		Constant	BDS	BDI	BDG	BDM
Step 1	Constant	1.000	-.499	-.642	-.404	-.350
	BDS	-.499	1.000	-.155	.283	-.032
	BDI	-.642	-.155	1.000	.242	-.048
	BDG	-.404	.283	.242	1.000	-.333
	BDM	-.350	-.032	-.048	-.333	1.000

Research Computation (2022)

Table 4.26 presents the model summary. The Log likelihood is 155.261, Cox & Snell R Square is .057 and Nagelkerke R Square is .076. These outcomes suggest that the model can predict the link between the dependent and independent variables accurately.

Table 4.26: Model Summary (Model 4)

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	155.261	.057	.076

Research Computation (2022)

Table 4.27 contains the ominubus test of model. The Chi-Square value is significant at 5% significant level (Chi-Square = 6.859, sig = .144). Therefore, it can be inferred that Model 4 is a good fit for the data.

Table 4.27: Omnibus Tests of Model Coefficients (Model 4)

		Chi-square	Df	Sig.
Step 1	Step	.040	1	.842
	Block	.040	1	.842
	Model	6.859	4	.144

Research Computation (2022)

Table 4.28 contains the classification table. The sensitivity of the model is 61.7%. That is, the model accurately predicted 61.7% of the companies with low financial reporting quality. The specificity is 50.9%. That is, the model accurately predicted 50.9% of the companies

with high financial reporting quality. The overall percentage accuracy of the model is 56.4%. These outcomes suggest that the model has a good predictive ability.

Table 4.28: Classification Table (Model 4)

	Observed		Predicted		
			NDACC		Percentage Correct
			.00	1.00	
Step 1	NDACC	.00	37	23	61.7
		1.00	28	29	50.9
	Overall Percentage				56.4

Research Computation (2022)

Table 4.29 contains the regression coefficient and the results of the Wald Test on the variables in the equation. The result of the Wald Test is non-significant (W= 1.026, Sig = .311). The exponential of the regression coefficient, Exp (B) is lesser than 1 [Exp (B) = .969]. This outcome implies that as the frequency of board of directors' meeting increases, the possibility of recording high financial reporting quality decreases. However, since the result of the Wald Test is non-significant, it can be deduced that board of directors' meeting may not have a significant link with financial reporting quality. Therefore, the null hypothesis was accepted and it could be concluded that board of directors' meeting does not have significant link with financial reporting quality among listed companies in Nigerian consumer goods sector.

Table 4.29: Variables in the Equation (Model 4)

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1	BDS	.090	.089	1.026	1	.311	1.094
	BDI	-1.427	1.530	.870	1	.351	.240
	BDG	-3.865	2.226	3.015	1	.083	.021
	BDM	-.032	.161	.039	1	.843	.969
	Constant	.915	1.620	.319	1	.572	2.496

Research Computation (2022)

4.4 Discussion of Results

Taking hypothesis one into consideration, it was found that board of directors' size had a positive but non-significant effect on financial reporting quality among listed companies in Nigerian consumer goods sector. The outcomes of this study derived support from the study of Topal and Dogan (2014) which indicated that board of directors' size had a positive and non-significant effect on the quality of financial reporting. However, the study of Ibrahim, and Salihu (2015), which shows that board of directors' size had a negative and statistically insignificant effect on financial reporting quality, did not support the results of this study. Furthermore, El-Maude et al. (2018) in their study indicated that board of directors' size had a negative and non-significant effect on financial reporting quality which did not support the results of this study.

Findings from hypothesis two reveal that board of directors' independence has a negative and insignificant impact on financial reporting quality among listed companies in Nigerian consumer goods sector. This result derived support from the study of Bosi et al. (2020), which found that independence of directors significantly improves IFRQ. Also, the study of Onwuchekwa and Madumere (2019) found a negative effect on earnings management which aligns with the outcome of this study. However, the study of Ogbaisi et al. (2019) which showed that board of directors' independence had positive and insignificant effect on the quality of financial reporting sampled firms did not support the outcome of this study.

The outcomes of hypothesis three revealed that board of directors' gender had negative and non-significant influence on financial reporting quality among listed companies in Nigerian consumer goods sector. The result from the study of Şener and Karaye (2014) which showed that that there is no statistically significant difference between Turkish and Nigerian listed firms was supportive of this study. However, Okechukwu, Aruwa, and Ame (2021) which indicated that the presence of female directors in board is significantly and positively associated with the timeliness of financial reports did not support the outcome of this study. Also, Bosi et al. (2020) produced results that demonstrated that female directors increase IFRQ considerably which did not align with the findings of this study.

The results of hypothesis four indicate that board of directors' meeting has a negative and non-significant link with financial reporting quality among listed companies in Nigerian

consumer goods sector. This outcome was supported by the study of Ajibulu et al. (2021) which discovered proof that the quality of the financial reports was improved by board meetings and was not statistically significant. Okechukwu et al. (2021) however, found from their research that board meetings have a favourable but statistically negligible impact. Furthermore, the study of Eluyela, et al. (2018) findings indicated a favourable correlation between the frequency of board meetings and firm success.

CHAPTER 5

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.0 Preamble

In order to evaluate the impact of board of directors' characteristics on corporate financial reporting quality in the Nigerian consumer goods sector, the study's summary, findings, and suggestions are all included in this chapter. This chapter would also cover the study's contribution to knowledge and recommendations for additional research.

5.1 Summary of the Work Done and Summary of Findings

In this study, the impact of board features on the corporate financial quality of Nigeria's consumer products sector from 2011 to 2020 was investigated. The consumer goods industry in Nigeria was studied using the modified Jones model (1995), which incorporated the multiple regression model to explain the empirical effects of board gender, board independence, board meetings, board size, and financial reporting quality.

Thirteen consumer goods categories listed on the Nigerian Stock Exchange's annual reports provided secondary data for the study (NSE). The information regarding the board's gender, independence, meeting frequency, and size was regressed against the companies' non-discretionary accruals. The qualities of the board of directors' characteristics were the independent variables, whereas the non-discretionary accruals were the dependent variable. This was done in order to address the research questions and hypotheses that were established at the start of the project.

This research was divided into five chapters. The topic is introduced in Chapter 1, the topic's literature review is covered in Chapter 2, the methodology for the empirical findings is presented in Chapter 3, the data for the empirical analysis and its interpretation is presented in Chapter 4, and the summary, recommendations, and ideas for further research are presented in Chapter 5. The following provides a thorough summary of these many chapters in a logical arrangement:

Giving insight into the subtleties of board characteristics and their significance role in financial reporting quality, Chapter 1 provides an introduction. This chapter also discusses the study's problem statement, objectives, research questions that were created to match those

objectives, a hypothesis that was developed to guide the research, the study's scope, significance, limitations, and operational definitions of terminology.

For this study, Chapter 2 was organized around three elements. These elements are conceptual reviews that looked at the key traits of a board of directors and the quality of financial reporting. The agency theory, which was chosen to anchor the study, was reviewed together with stakeholder theory and stewardship theory as part of the theoretical review. Empirical evaluation examined earlier research on the traits of the board of directors and the quality of the financial reporting.

The study's methodology is presented in Chapter 3. This chapter primarily covers the research strategy, population, data sources, sample techniques and sizes, data collection methodology, model specification, data analysis methodology, and how the variables were measured. With the aid of judgemental sampling techniques, the proper sample size was established and chosen. The model specification presents the functional relationship between the dependent and independent variables. Ex-post study strategy was employed to collect the data, and multiple regression analysis was performed to analyse the data.

Chapter four reflects the data presentation, data analysis using SPSS version 26, and interpretation of the data collected.

5.2 Conclusion

Based on the findings from this study, there exists a positive but non-significant effect of board of directors' size on financial reporting quality of the listed consumer goods sector in Nigeria while there exists a negative and non-significant effect of board of directors' gender, independence, and meetings on financial reporting quality of the listed consumer goods sector in Nigeria. This is from 2012 to 2020 which have been adequately explored using data collected from the audited financial statements of thirteen (13) out of the thirty-four (34) listed consumer goods sector companies in the Nigerian Stock Exchange. From the result obtained, it was discovered that all of the board of directors' characteristics: board gender, board independence, board meeting, and board size does not have significant effect on corporate financial reporting quality of the listed companies in the consumer goods sector in Nigeria.

5.3 Recommendations

Based on the findings, it is recommended that for board gender, the board of directors should not achieve balance with the female gender. For board independence, the board of directors should have not more non-executive directors on the board. For board meetings, the board of directors' meetings should not be more frequent. For board size, the board of directors' sizes should be optimal.

5.4 Suggestion for Further Studies

From the limitations of the study, it is evident that the scope of this research could not cover the whole of corporate governance, however, a further research study can be carried out to investigate the effect of other elements of corporate governance on the financial reporting quality of listed companies in the consumer goods sector in Nigeria. Other elements of corporate governance that can be researched include audit committee, governance and remuneration committee, and finance and risk committee.

There should also be further research conducted in Nigeria on the effect of corporate governance on financial reporting quality as there were few studies conducted in Nigeria from the empirical evidence reviewed.

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