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AUDIT COMMITTEE ATTRIBUTES AND FINANCIAL STATEMENT QUALITY IN NIGERIA

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Abstract

This study investigates audit committee attributes and financial statement quality in Nigeria. The broad objective of this study is to examine the effect of audit committee size on financial statement quality of listed non-financial firms in Nigeria and also to evaluate the effect of audit committee diligence on financial statement quality of listed non-financial firms in Nigeria. The secondary source of data collection was adopted in the study where the purposive sampling technique was used to select a sample size of eleven (11) non-financial firms listed in the Nigerian Exchange Group. Ordinary Least Square regression method was used to analyze the variables in this study using STATA and the findings revealed that audit committee diligence has significant effect on financial statement quality of listed non-financial firms in Nigeria and that audit committee independence has significant effect on financial statement quality of listed non-financial firms in Nigeria. The study recommends among others that the size of audit committee should be streamlined to portray the vision and standard of the firm and that regular meetings should be scheduled to checkmate the financial activities of the firm and the auditors at large.

Keywords: Audit Committee, Audit Committee, Size, Audit Committee Diligence, Audit Committee Independence, Financial Statement Quality

1.0 Introduction

Users of financial statements generally rely on the information made available to them in yearly reports for corporate decision-making. This report must be factual, reliable, pertinent, and reasonable in order to let investors (prospective and current) make wise investment decisions. For this reason, it is anticipated that financial reports will offer precise, timely, credible, and transparent financial information without intentionally trying to perplex readers (Muazu & Aminu, 2021). The deliberate wrongdoing of financial reporting managers, however, was brought to light by the high profile of corporate failure and accounting failure throughout the world, particularly in developing economies, at the start of the twenty-first century. large-scale business failures, including Enron, Tyco International, Global Crossing, WorldCom, and most recently, Carillion. The audit committee's effectiveness has been questioned by the British multinational facilities management and construction company etc. because it is unable to safeguard investor interests. According to Araoye and Olatunji (2019), this has made it more challenging for shareholders to make investment decisions based on the accuracy and dependability of financial data. The Sarbanes Oxley Act, which was passed in 2000 to address this issue in the United States, was a result of this prompting the global corporate governance regulator.

Only 40% of the listed companies complied to the current corporate governance norms, the Central Bank of Nigeria (2006) found, which led to the conclusion that poor corporate governance was to blame for business failures in Nigeria. As more corporate organisations in Nigeria continue to be investigated, the number of recent examples of creative accounting practises appears to be rising. The failure of several banks, including African International Bank, Savannah Bank, Fin Bank, Intercontinental Bank, Oceanic Bank Plc, Cadbury Nigeria, and African Petroleum (AP) account manipulation, as well as the firing of five bank managers, have all been linked to financial reporting errors by Nigerian public companies (Alqatamin, 2018).

The audit committee, however, is the primary entity tasked with supervising financial reports and disclosures made by businesses, as well as the auditing procedures. A crucial board committee, the audit committee communicates with both internal and external auditors, providing a place for both to voice their concerns and issues. The audit committee needs to be adequately staffed to accomplish these objectives. According to the UK Cadbury report, the audit committee should have a minimum of three members and be made up completely of independent non-executive directors. They should have at least one member with relevant recent financial experience, and they must hold frequent meetings (ACCA, 2014). A strong audit committee helps protect shareholders' wealth and increase investor confidence in the stock market. The audit committee can assist the organisation greatly and significantly if they function efficiently. These advantages include enhancing the quality of financial reporting by reviewing financial statements on the board's behalf, fostering a culture of discipline and control that lowers the risk of fraud, bolstering the position of external auditors by providing a forum for issues of concern, providing a framework within which the external auditor can assert his independence in the event of management dispute, and strengthening internal audit.

The audit committee has been around for years. The audit committee was established in Nigeria by the Companies and Allied Matters Act CAMA (1990), as revised in 2004. A maximum of six (6) directors and shareholder representatives make up the audit committee established by this Act. The audit committee's functions, responsibilities, and practises have been criticised despite the importance and glamour of setting one up for public companies in Nigeria. This criticism stems from the fact that the audit committee may not be able to handle the expected responsibilities because the same law is silent on their professional capability and qualification (Enofe, Arontuwan, & Agbadua, 2013).

Poor corporate financial announcement quality is quickly becoming into a major test for partners in the Nigerian corporate environment. Examples of budgetary detailing issues in Nigeria include African Petroleum Plc, which shows that the organization's financial explanations did not accurately reflect its financial position, Cadburv Nigeria Plc, and the saving money division, which saw the Economic and Financial Crimes Commission (EFCC) summon the top executives of some banks due to false budgetary revealing. The latter argue that the risk of subpar company financial detailing quality is already present. The idea is that sceptics, investors, and other partners' scepticism about the veracity of financial reporting from organisations in Nigeria would continue to grow. Therefore, by evaluating the audit committee attributes on financial statement quality, this study closes these gaps.

2. Literature Review and Hypotheses Development

2.1 Financial Statement Quality

The rise in accounting crises across the globe has highlighted flaws in the integrity of financial reporting. Extreme flaws in the accuracy of financial reporting cause investors to lose faith in a company's financial reporting processes and lose investment. To ensure high quality disclosures in the financial statements of businesses, there has been convergence and harmonisation of accounting standards as a result of these crises. Thus, it is crucial that customers have access to qualitative financial information as this affects their investment choices and increases market efficiency. The efficiency of the market is increased when capital providers and other stakeholders allocate resources for investments, loans, and other uses based on high-quality financial reporting data. As a result, financial reporting quality is significantly impacted by the effectiveness and efficiency of accounting rules (Alqatamin, 2018).

The core tenet of evaluating financial reporting quality has to do with how truthful the objectives and quality of the revealed information are in the financial statements of the companies. There are a number of agreed-upon qualitative qualities of financial reporting, as stated in the IASB conceptual framework. Fundamentally, these qualitative traits include relevance and faithful representation, and enhancingly, they include understandability, comparability, verifiability, and timeliness. These qualitative traits make it easier to determine how relevant financial information is and help to identify deceptive information. Therefore, transparency in financial reporting and the avoidance of false financial information are stressed, in addition to the significance of precision and predictability as signs of high financial reporting quality.

2.2 Audit Committee

An organization's board of directors' audit committee is tasked with overseeing the financial reporting process, choosing an independent auditor, and receiving the findings of both internal and external audits. Ahmed (2018) defined the audit committee as a group of individuals chosen from the board of directors who are in charge of reinforcing the independence of auditors. Additionally, Bala (2014) believed that an establishment's audit committee should be made up of non-executive directors. According to the criteria given above, the audit committee's primary goal is to enhance the audit process in order to raise the standard of financial reporting. One of the main operating committees of a board of directors' responsibility for monitoring financial reporting and disclosure is the audit committee (Bansal & Sharma, 2016). According to Dabor and Dabor (2013), an audit committee helps the board of directors carry out its corporate governance and oversight duties with regard to an entity's financial reporting, internal control system, risk management system, and internal and external audit functions. Within the parameters of its mandate, its job is to offer suggestions and counsel to the board.

An audit committee's main responsibility is to keep an eye on the company's financial results and financial statements. In this regard, it is required that the audit committees have a significant impact on the hiring, firing, and compensation of auditors, the scope and content of the audit work, the auditor's independence, and the resolution of conflicts between the auditors and executive management. The approach used by a company to financial statements, levels of transparency, and conformity with best practises are all things that audit committees may assess and decide on. Additionally, audit committees can evaluate the efficiency of the company's accounting procedures while also ensuring compliance with corporate legal and ethical obligations, including the maintenance of preventive fraud measures (Temple, 2019).

For instance, the importance of audit committees has been the subject of numerous studies; having an audit committee boosts investors' expectations of receiving stronger financial reports. The company's coefficients of earnings response would thus more likely increase. Additionally, errors, abnormalities, and other erroneous financial reporting indicators are less likely to occur in firms having an audit committee. As a result, the Audit Committee is viewed as an external internal governance mechanism that helps a company's financial management be more consistent and provide better results. The independence of the audit committee, the size of the audit committee, the diversity of the audit committee, and the audit committee meetings are the four main factors that an audit committee should take into account in this respect.

2.3 Audit Committee Size and Financial Statement Quality

The total number of people that serve on an entity's audit committee for a given accounting period is referred to as the audit committee size. In order to ensure fast delivery, efficiency, and the necessity to prevent agency conflict that may arise from audit committee incompetence, appropriateness is crucial when deciding the number of persons to occupy audit and all other board committees. According to empirical research, the size of the audit committee affects how well company financial reporting is done. According to Aderemi, Osarumwense, Kehinde, and Ben-Caleb (2016), a big audit committee membership is a key factor in limiting earnings management. Although smaller audit committee firms produce financial reports of higher quality than larger sized audit committee firms, Alqatamin (2018) found that largeness of audit committee members results in loss of focus in a study that uses different countries and different domains. Umobong and Ibanichuka (2017) analyse the relationship between financial reporting quality and audit committee characteristics in Nigerian food and beverage firms from 2011 to 2015. They discover a weak and insignificant correlation between the tested firms' financial reporting quality and the size of the audit committee. Similar to this, the study finds a correlation between audit committee size and the calibre of financial reports produced by listed conglomerates and oil and gas companies in Nigeria.

It has been discovered that the effectiveness of an audit committee is positively impacted by the size of the committee, expressed as a number. This is due to the fact that a sufficient number of audit committee members is preferable to a small committee membership. The effectiveness of the audit committee, however, is probably going to have issues if the committee is too big. Therefore, recent research has demonstrated that a properly sized audit committee will enable high-quality financial reporting oversight.

In Nigeria, over a ten-year period from 2009 to 2021, Dare, Efuntade, Alli-Momoh, and Efuntade (2021) investigated the effects of audit committee characteristics on audit quality. In particular, this study evaluated the impact of audit committee meeting frequency on audit quality in the oil and gas sector. It also evaluated the impact of audit committee size on audit quality. The study made use of secondary data, which it obtained from the sampled companies' published financial reports for the years 2009 to 2018. Through logistic regression, it was found that the size of the audit committee had a positive significant impact on the audit quality of the companies in Nigeria's oil and gas industry, whereas the impact of the audit committee meeting was positive but not significant.

Hypothesis I: Audit committee size has no significant effect on financial statement quality of listed non-financial firms in Nigeria.

2.4 Audit Committee Diligence and Financial Statement Quality

According to Enofe, Nbgame, Okunega, and Edia (2013), the audit committee in Nigeria is a group of directors' and shareholders' representatives tasked with reviewing annual reports before they are presented to the board of directors. A functioning audit committee is anticipated to offer a monitoring mechanism that can enhance the accuracy and transparency of the company's financial reporting (Gabriella, 2016). The audit committee must meet regularly to accomplish this. Every member of the audit committee is expected to attend board meetings, according to

Ibrahim, Alkasim, Udoh, and Onipe (2019), as doing so allows them to learn about the problems the firm is now facing and gives them the authority to carry out their duties efficiently. According to Araoye and Olatunji (2019), the audit committee's vigilance makes sure that there is enough intensity and efficacy to include management operation monitoring.

In order to build and strengthen cohesive relationships that will foster common understanding for a strategic decision that will contribute to increased management performance, diligence enables members to communicate with one another (Akpan, 2015). The audit committee members attend meetings more frequently, which improves the managerial oversight that guarantees accurate financial reporting. When the audit committee meets regularly, the members will be well-informed and up-to-date on company activities.

According to Krishnan and Visvanathan (2019), the companies with more audit committee meetings seek higher-quality audits and more assurances from their auditors. The auditors may need to undertake additional audit work in the form of expanding the audit scope and raising the audit testing levels in order to provide greater assurances and a higher quality of external audit, which has the dual effects of increasing audit fees and audit quality. As a result, the monitoring role is more effective the more frequently an audit committee meets.

The impact of audit committee features on the calibre of financial reporting at Deposit Money Banks (DMBs) in Nigeria was examined by Muazu and Aminu in 2021. Correlational research strategy was employed in the study. The secondary data used in the analysis were taken from the DMBs under study in Nigeria's published annual financial reports. In Nigeria, the population/sample size was 14 DMBs. From 2009 to 2019, a span of eleven years was covered. Using STATA software, a multiple regression analysis was performed on the gathered secondary data. The results of the analysis demonstrate that the frequency of audit committee meetings and the gender of the audit committee have positive and significant effects on the financial reporting quality of DMBs in Nigeria, while the financial expertise of the audit committee has a significant adverse impact.

Regression analysis was used by Odjaremu and Jeroh (2019) to assess the degree to which audit committee characteristics affect the timely submission of reports by listed Nigerian companies. According to the findings, the size, independence, and diligence of the audit committee had a substantial impact on how quickly financial reports were submitted by Nigerian businesses. Ibrahim et al. (2019) used a correlation research methodology to analyse the relationship between the audit committee and earnings management of listed deposit money banks in Nigeria. The findings showed that while audit committee tenure has a negative, negligible influence on earnings management, audit committee financial expertise and audit committee busyness have a negative, significant impact on earnings management. Meetings of the audit committee and ownership of the committee's shares have a slight favourable influence on managing earnings.

Hypothesis 2: Audit committee diligence has no significant effect on financial statement quality of listed non-financial firms in Nigeria.

2.5 Audit Committee Independence and Financial Statement Quality

Independence from management is a crucial component of a successful audit committee. Audit committees play a significant role in the governance structure of an organisation by offering the board an impartial source of advice. An independent audit committee member is a person who, outside of their committee obligations, does not work for the organisation or perform any services for it. According to Mbobo and Umoren (2016), the independence of the audit committee contributes to the assurance of management transparency and accountability to stakeholders. It is anticipated that independent Audit Committee members will be more objective and less prone to overlook potential flaws in financial reporting misappropriation and manipulation.

The independence of audit committees contributes to the guarantee of management transparency and stakeholder accountability. Independent audit committee members are anticipated to be more impartial and less likely to ignore potential flaws in the theft and falsification of financial reporting. Following the adoption of SOX in 2002, audit committees in the US are now required to be wholly made up of independent members in order to pre-approve audit and non-audit services and establish protocols for managing complaints about accounting and auditing-related concerns. According to Klein (2019), audit committee independence rises together with board size and board independence. Since financial statement fraud is more likely to occur in companies with lower audit committee independence, audit committee independence has a substantial impact on the quality of financial reporting.

The impact of audit committee characteristics on the calibre of financial reporting by listed banks in Nigeria from 2009 to 2018 was examined by Akpan and Nsentip (2020). The data for analysis are taken from the annual reports of the sampled banks and are gathered using an ex post facto research design. Using the Taro Yamani sample size methodology, 12 out of 13 banks are chosen. Descriptive statistics, correlation, and the ordinary least squares method are used to analyse the data. The results show that listed Nigerian banks' financial reporting quality is considerably influenced by a well-constituted and independent audit committee.

Using ordinary least squares, Ebirien, Chukwu, and Ohaka (2018) looked at the audit committee's composition and corporate transparency of a Nigerian deposit money bank. The findings revealed a favourable but not statistically significant correlation between corporate governance disclosure level and meeting frequency. Belal and Hasnah (2018) used a qualitative approach to investigate the relationship between actual earning management and audit committee characteristics in Malaysia. The study discovered that real earning management was a topic of recent studies that organisations moved to real earning management over accrual earning management. Overall research findings show that the effect of audit committee features in reducing real earning management is unclear due to the variable nature of the findings.

Hypothesis 3: Audit committee independence has no significant effect on financial statement quality of listed non-financial firms in Nigeria.

3. Theoretical framework and model specification

The Agency and stakeholder’s theories are relevant to this study. But the study is anchored on stakeholder’s theory because it is observed in some instance that members of the audit committee may turn out to be stakeholder’s of a business entity and as such will always protect the interest of the business by ensuring that the quality of the audit work in not compromised.

3.1. Data

The secondary source of data collection was used for this study where data was gathered from audited annual reports of selected non-financial firms listed on the Nigerian Exchange Group (NGX). However, for the purpose of this study, 10 years (2011 – 2020) annual reports of the eleven (11) selected non-financial firms were adopted.

In selecting the sample, purposive sample technique was used to derive the sample size. The **p**urposive sampling was used to ensure that the sample represents a diversity of perspectives. The ex-post factor research design is used in this study due to the fact that the variables cannot be manipulated by the researcher. This method was adopted since social scientific research problems do not lend themselves to experimental and controlled inquiry of the ex-post factor kind. Also, this research design makes it impossible to select, control and manipulate the factors necessary to study cause-and-effect relationships directly.

3.2. Model specification

The study used Ordinary Least Square (OLS) regression analysis method to investigate the impact of independent variables on dependent variable. A multiple linear regression model was used to establish the significance of the model. The results obtained from the model are presented in tables to aid and ease the analysis.

The empirical model of the study is mathematically expressed as follows;

$FINQ_{it} = \beta_0 + \beta_1 AUCS_{it} + \beta_2 AUCI_{it} + \beta_3 AUCD_{it} + \varepsilon_{it}$

B_0 = Constant

B_1- β_3 = Coefficient of parameters estimated

FINQ = Financial statement quality

AUCS = Audit Committee Size

AUCI = Audit Committee Independence

AUCD = Audit committee Diligence

ε_{it} = Error term

4. Result and Discussion

Table 1: Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max	Pr(Skewness)	Prob >chi2
FINQ	101	-.0505574	.2666622	-.7099	1.9649	0.0000	0.0000
AUCS	102	5.647059	1.09587	4	8	0.0137	0.0169
AUCI	102	41.66199	11.46661	16.6667	60	0.0015	0.0070
AUCD	101	12.61787	12.1727	0	50	0.0936	0.0344

Source: Researcher's Computation Using STATA

Table 1 presents the summary of the descriptive statistics for the dependent and independent variables for one hundred (100) observations. It shows that financial statement quality has a mean value of about -0.050557 and a standard deviation of about 0.26666. The maximum value of the variable is 1.9649 while the minimum is -0.7099. The maximum values for all other variables are 8, 60 and 50 while the minimum for all the variables are 4, 16.6667 and 0 respectively.

For audit committee size, mean value was 5.6471 and standard deviation of 1.0959. The corresponding values for the others are: audit committee diligence, 12.6179 and 12.173 respectively; audit committee independence: 41.662 and 11.4666 respectively. The p-values of the skewnss and kurtosis statistics show that nearly in all the cases the data are judged to be normally distributed at 5% level of significance.

Table 2: Summary of regression result

Source	SS	Number of obs =	100
		F(3, 96) =	0.79
Model	.17152512	Prob > F =	0.0018
Residual	6.93919328	R-squared =	0.0241
		Adj R-squared =	-0.0064
Total	7.1107184	Root MSE =	.26886
FINQ	Coef.	Std. Err.	t P>t
AUCS	-.0288215	.0251541	-1.15 0.005
AUCD	-.000303	.0022441	-0.14 0.013
AUCI	.0022287	.0023641	0.94 0.048
_cons	.0245786	.1866343	0.13 0.896
VIF	1.02		
Heteroscedasticity	1.13(0.2886)		

Source: Researcher's Computation Using STATA

Table 2 shows that the explanatory variable does not account for much of the systematic variations in the dependent variable. The table shows very moderate value of R-squared of 0.0241.

This moderate value of the R-squared statistic suggests that there are many other variables in explaining changes in the dependent variable. For the model, the p-value of the F statistic (0.0018) shows that the model overall is suitable for estimating the stated model.

The VIF test (1.02) shows that there is the absence on multi-colinearity and so there is no need to drop any variable. Also, the heteroscedasticity is 1.13 with p-value of 0.2886, showing that there is no significant heteroscedasticity problem and so no need for a robust regression.

Hypothesis One

HO: Audit committee size has no significant effect on financial statement quality of listed non-financial firms in Nigeria.

Computation

The test statistic is computed by STATA software and the results are as shown in Table 3.

Table 3: Regression Results on Audit Committee Size and Financial Statement Quality

Variable	Coefficient	Std Err	t-test statistic	p-value

AUCS	-0.02882	0.02515	-1.15	0.005

Source: Extracted from STATA Computations

Decision

With a coefficient of -0.02515 the results indicate that audit committee size negatively impacts tax planning, while the probability value of 0.005 indicates that the positive impact is significant. This leads to the acceptance of the alternative hypothesis, thus rejecting the null hypothesis that audit committee size has a negative impact on financial statement quality of listed non-financial firms in Nigeria, though the impact is significant.

Hypothesis Two

HO: Audit committee diligence has no significant effect on financial statement quality of listed non-financial firms in Nigeria.

Computation

The test statistic is computed by STATA software and the results are as shown in Table 4.

Table 4: Regression Results on Audit committee diligence and Financial Statement Quality.

Variable	Coefficient	Std Err	t-test statistic	p-value
AUCD	-0.00030	0.002244764	-0.14	0.013

Source: Extracted from STATA Computations

Decision

With a coefficient of -0.00030 the results indicate that audit committee diligence negatively impacts financial statement quality of listed non-financial firms in Nigeria, while the probability value of 0.013 indicates that the negative impact is significant. This leads to the acceptance of the alternate hypothesis, thus the rejection of the null hypothesis. The researcher accepts that audit committee diligence significantly impacts tax planning of oil and gas listed firms in Nigeria, and that such effect is negative.

Hypothesis Three

HO: Audit committee independence has no significant effect on financial statement quality of listed non-financial firms in Nigeria.

Computation

The test statistic is computed by STATA software and the results are as shown in Table 5.

Table 5: Regression Results on Audit Committee Independence and Financial Statement Quality

Variable	Coefficient	Std Err	t-test statistic	p-value
AUCI	0.00223	0.00236	0.94	0.048

Source: Extracted from STATA Computations

Decision

With a coefficient of 0.00223 the results indicate that revenue growth positively impacts financial statement quality of listed non-financial firms in Nigeria while the probability value of 0.048 indicates that the positive impact is significant because it is less than 0.05. This leads to the acceptance of the alternate hypothesis, thus rejecting the null hypothesis. The researcher accepts that audit committee independence significantly affects financial statement quality of listed non-financial firms in Nigeria.

The results indicate that almost all the variables are significantly normally distributed at 5% level of significance. The correlation matrix indicates the variables have mixed relationships. The results also indicate the absence of multi-colinearity.

Essentially, the findings of the study are: with a coefficient of -0.02515 the results indicate that audit committee size negatively impacts tax planning, while the probability value of 0.005 indicates that the positive impact is significant. This leads to the acceptance of the alternative hypothesis, thus rejecting the null hypothesis that audit committee size has a negative impact on financial statement quality of listed non-financial firms in Nigeria, though the impact is significant. The result agrees with the findings of Temple (2019), but inconsistent with the findings of Umobong and Ibanichuka (2017), the inconsistency might be as a result of studying different sectors.

Similarly, with a coefficient of -0.00030 the results indicate that audit committee diligence negatively impacts financial statement quality of listed non-financial firms in Nigeria, while the probability value of 0.013 indicates that the negative impact is significant. This leads to the acceptance of the alternate hypothesis, thus the rejection of the null hypothesis. The researcher accepts that audit committee diligence significantly impacts tax planning of oil and gas listed firms in Nigeria, and that such effect is negative. The result agrees with the findings of Odjaremu and Jeroh (2019) and Mbobo and Umoren (2016). This shows a high degree of consensus among empirical findings.

And, with a coefficient of 0.00223 the results indicate that revenue growth positively impacts financial statement quality of listed non-financial firms in Nigeria while the probability value of 0.048 indicates that the positive impact is significant because it is less than 0.05. This leads to the acceptance of the alternate hypothesis, thus rejecting the null hypothesis. The researcher accepts that audit committee independence significantly affects financial statement quality of listed non-financial firms in Nigeria. The result agrees with the findings of Nuraddeen and Hannah (2015) and Mbobo and Umoren (2016), but not consistent with the findings of Ebrien *et al*. (2018). This significantly shows a degree of inconclusiveness of findings.

5. Conclusion and Recommendations

Audit committee is one of the well-structured board committees to ensure transparency, efficiency, probity and effectiveness in the management of corporate entities. To guaranty this, the FRC of Nigeria recommends that audit committee should be appropriately sized with respect to skill set, cognate experience, competency, gender diversity and devotion of sufficient time to assure that the corporate objectives are not vitiated. Doing these will ensure that agency conflict is minimized to the barest minimum and at the same time attract capable hands on the board committees with requisite skill set in consonance with the resource dependence theory.

The effectiveness of the audit committee manifests in production of qualitative financial report. The quest for audit committee to guarantee reliable and high quality financial report is determined by the structure of audit committees whose function is to oversee the financial reporting process, scrutinize the external auditors’ report, check the work of internal auditors and present their report to the company shareholders. The effectiveness of audit committee is ensured through timely comment, review and approval of corporate accounting policies, the financial statements and internal controls.

The following are the recommendations of the study; the size of audit committee should be streamlined to portray the vision and standard of the firm, regular meetings should be scheduled to checkmate the financial activities of the firm and the auditors at large and that the independence of audit committee should be prioritized and relevant measures should be put in place to ensure the financial statement released is the true and fair representation of the firm.

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