



The Impact of Financial Literacy and Frequency of Meetings of Members of Audit Committee on Financial Reporting Quality in Nigerian Quoted Companies

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Abstract

The main objective of this study was to evaluate the impact of Financial Literacy (FL) and Frequency of Meetings (FM) of members of Audit Committee on financial reporting quality in Nigerian quoted companies. Data for the study were derived from annual reports of one hundred and thirty one (131) companies quoted on the Nigerian Stock Exchange over the period of 2006 to 2012. The data were analyzed using descriptive, correlation and Ordinary Least Square (OLS). The multivariate regression technique was utilized to estimate our model. The findings showed that audit committee financial literacy and audit committee frequency of meetings had a positive significant influence on financial reporting quality. Based on these findings, some recommendations were made, prominent amongst them, was that, in order to strengthen the impact of financial literacy on financial reporting quality, regulatory authorities such as SEC, CBN and NDIC, should give special attention to audit committee members with high status with a view to making it mandatory for all companies to comply with it. Status, in this context, implies an aspect of personal power reflecting the ability to influence outcomes based on perceived skills, qualities and personal attributes.