Audit Committee Attributes and Financial Reporting Quality: A Pre and Post Cama 2020 Empirical Analysis

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ABSTRACT

The study investigated the impact of audit committee attributes on the financial reporting quality of listed manufacturing firms in Nigeria, comparing pre- and post-Companies and Allied Matters Act (CAMA) 2020 periods using data from 2017–2023 from the Nigerian Exchange group. Specifically the study evaluated the impact of audit committee independence, audit committee size and audit committee financial expertise which served as proxies of audit committee attributes on earnings variability which served as a proxy for financial reporting quality. Ex-post facto research design was used and the population covered all listed manufacturing firms; out of which, 25 firms were selected via purposive sampling technique. Findings revealed that larger audit committees were associated with improved reporting quality before CAMA 2020, but reduced committee size under the new regulation correlated with higher earnings variability indicating a decline in reporting quality. Audit committee independence consistently improved reporting quality, even with fewer directors post-CAMA 2020 and financial expertise showed a positive relationship with earnings variability. The study concluded that while larger committees and independent directors enhance reporting quality, the role of financial experts requires reevaluation to address governance shortcomings. The study therefore recommended that the provisions of CAMA 2020 be revisited to reconsider the reduction in audit committee size.

Keywords: Audit Committee, Audit committee attributes, Earnings Variability, Financial reporting quality.

INTRODUCTION

The quality of a company's financial reporting and its overall governance practices significantly impact market performance as investors rely on accurate and reliable financial information to make informed decisions. Although the authenticity and reliability of these financial statements are often subject to doubt and scrutiny because stakeholders frequently question their accuracy, raising concerns about whether the information presented truly reflects the company's financial health (Ivungu, Anande & Ogirah, 2019). This skepticism is present because of past instances of corporate fraud, accounting manipulation, or inadequate auditing practices, which undermine confidence in the presented financial statements. Issues like conflicts of interest and ineffective board oversight which signifies weak corporate governance, via lack of audit committee independence can lead to financial scandals and erode investor confidence. As a result, there is a growing emphasis on ethical business practices and strong corporate governance to ensure the long-term sustainability of companies (Omotoye, Adeyemo, Omotoye, Okeme, & Leigh, 2021).

Auditing is a critical mechanism designed to uphold the correctness, completeness, and fairness of financial statements. It serves as a safeguard against financial misstatements, whether they arise from error or intentional fraud. Farouk and Hassan (2014) suggest that when financiers have confidence in an entity's audited financial statements, they are more inclined to increase their investment in the organization. This boost in investment

subsequently enhances the company's performance, highlighting how important high quality financial reporting is. The prevalence of financial misstatements and corporate scandals has prompted a global focus on improving corporate governance and the birth of audit committees. An audit committee is a specialized subcommittee of a company's board of directors tasked with overseeing the financial reporting process and is very crucial as it contributes significantly to improving corporate governance and safeguarding the integrity of financial information. The structure and attributes of audit committees have received considerable attention in corporate governance literature due to their crucial role in enhancing financial reporting quality, accountability, and ultimately, firm performance. To restore investor confidence and ensure the accuracy of financial reporting, many countries, including Nigeria, have mandated the establishment of statutory audit committees (Osevwe-Okoroyibo & Emeka-Nwokeji, 2021). This potential impact of corporate governance on financial reporting quality has prompted the Nigerian government to implement various regulatory frameworks. In addition to the Securities and Exchange Commission (SEC) Code and the National Insurance Commission Code of Good Corporate Governance, other regulations, such as the Companies and Allied Matters Act (2020), contribute to the overall governance landscape. These regulations outline the roles and responsibilities of audit committees, a key component of effective corporate governance (Dare, Efuntade, Alli-Momoh, & Efuntade, 2021). In the past, investors have relied on misleading financial statements, resulting in poor investment choices, one of the most infamous examples being the Enron scandal. This scandal continue to serve as a reminder of poor corporate governance, but more recent events like what happened to GlaxoSmithKline (GSK) in 2014, where the company faced allegations of corporate corruption involving £320 million due to deficiencies in financial reporting (Okunbor & Dabor, 2018) continue to serve as a point of note to continue to monitor the oversight function of the audit committee. These failures underscore the importance of robust corporate governance and effective auditing practices in safeguarding the financial system (Dare et al., 2021). Studies (Bouaine & Hrichi, 2019; Opudu & Eze, 2022) have demonstrated that effective audit committees play a pivotal role in enhancing the credibility of financial reporting . By overseeing the preparation of financial statements and evaluating internal control systems, audit committees can help to mitigate the risk of financial misrepresentation and fraud.

Statement of the problem

The composition of an audit committee, especially its independence, financial expertise, and even diversity, has consistently been recognized as a vital element in ensuring the reliability of financial statements (Bagais & Al Jaaidi, 2020). Sadiq, Barde and Dandago (2024) found that audit committee independence, meeting frequency, and financial expertise have a positive impact on compliance, while audit committee size shows a negative relationship. A study by Aderemi, Osarumwense, Kehinde, and Ben-Caleb (2016) suggests that a larger audit committee enhances oversight capabilities and helps constrain earnings management, contributing positively to financial reporting quality. However, findings from Alqatamin (2018) indicates that excessively large audit committees may lose effectiveness. The study also noted that smaller committees tend to produce higher-quality financial reports, as a more streamlined structure may foster better coordination and focus. These findings highlight the importance of context in determining the optimal size for audit committees.

While independence is a foundational attribute in audit committee efficacy, its relationship with the quality of financial statement and reporting is far from conclusive. Some studies (Balagobei, 2018; Muhammed, Abdulyakeen, Ajide & Oyekale, 2024) suggest that an independent audit committee enhances oversight, reduces agency costs, and improves market value. However, others indicate that independence alone may not sufficiently address the complexities of financial reporting quality without complementary attributes such as size and expertise (Bagais & Aljaaidi, 2020; Shamsuddin & Alshahri, 2022).

The enactment of the Companies and Allied Matters Act (CAMA) 2020 in Nigeria introduced significant changes to corporate governance, including audit committee requirements. Three significant changes have been made to the structure of the audit committee for public companies. This committee, referred to as the Statutory Audit Committee (SAC), is now mandated to have five members unlike the six members that were required under the old law, the CAMA 2004, CAP C20, LFN 2004, as amended. Secondly, these five members are to comprise three shareholder

representatives and two non-executive directors. Section 404(5) of CAMA, also specifies that all Audit Committee members must be financially literate and capable of reading and understanding financial statements but at least one member must belong to a professional accounting body established by an Act of the National Assembly. According to Section 404(3) of CAMA, members of the SAC are required to be elected annually. It is pertinent to note that these provisions were novel to the Nigerian companies' law landscape. Before CAMA 2020, Nigeria's corporate framework faced criticisms for inadequate audit committee oversight, weak enforcement of independence, and lack of financial expertise among members, leading to compromised financial reporting. The new provisions aim to address these issues by mandating financial expertise within the committee and promoting greater transparency. Despite these developments, the practical implications of these changes, particularly their effectiveness in enhancing financial reporting quality, remain under-explored.

This study seeks to address this gap in literature by investigating the impact of audit committee attributes on financial reporting quality of manufacturing companies by comparing the results of the impact before and after the implementation of CAMA 2020. It will investigate whether the revised composition requirements for audit committees have contributed to improved oversight, reduced financial irregularities, and better quality financial reporting.

Research Objectives

Following the above identified gaps, the objective of this study is to evaluate the effects of audit committee attributes on financial reporting quality pre and post CAMA2020. The specific objectives are to:

i. Evaluate the effect of audit committee size on earnings variability of manufacturing companies in Nigeria pre and post CAMA 2020.

ii. Evaluate the effect of audit committee independence on earnings variability of manufacturing companies in Nigeria pre and post CAMA 2020.

iii. Evaluate the effect of audit committee financial expertise on earnings variability of manufacturing companies in Nigeria pre and post CAMA 2020.

Research Questions

1. How does audit committee size affect earnings variability of manufacturing companies in Nigeria pre and post CAMA 2020?

2. To what extent does audit committee independence affect earnings variability of manufacturing companies in Nigeria pre and post CAMA 2020?

3. How does audit committee financial expertise affect earnings variability of manufacturing companies in Nigeria pre and post CAMA 2020?

Research Hypotheses

H_{01}: Audit committee size does not have a significant effect on earnings variability of manufacturing companies in Nigeria pre and post CAMA 2020

H_{02}: Audit committee independence does not have a significant effect on earnings variability of manufacturing companies in Nigeria pre and post CAMA 2020

H_{03}: Audit committee financial expertise does not have a significant effect on earnings variability of manufacturing companies in Nigeria pre and post CAMA 2020

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LITERATURE REVIEW

Conceptual Review

Audit committee

The concept of an audit committee originated in 1940 with the McKesson and Robbins case, which involved around $10 million in fictitious inventory and roughly $9 million in inflated accounts receivable. This incident led to the establishment of a dedicated board committee made up of directors known as audit committees who were independent of company management (Abu, Yahaya, & Abah, 2018). They were tasked with overseeing financial reporting and internal controls. These committees play a vital role in preventing and detecting fraud, ensuring transparency, and safeguarding shareholder interests. Qeshta et al. (2021) argue that audit committees are essential for monitoring, and upholding effective corporate governance practices. These committees benefit all stakeholders, including management. The primary duty an audit committee performs is to monitor financial statements, the audit process, internal controls, and regulatory adherence. The committee reviews financial reports, recommends enhancements to management controls, and guarantees that financial disclosures are accurate and fair (Agada & Lazarus, 2024). Studies (Ibrahim & Al harasees, 2019; Mohiuddin & Karbhari, 2010) suggest that the effectiveness of audit committees are dependent on quite a number of factors, they include: independence, size, diversity, member expertise, and meeting frequency.

Audit committee size

This refers to the total number of board members serving on the board who function in the audit committee in a certain organization within a specific time frame (Tanko & Siyanbola, 2019). Muhammed, Abdulyakeen, Ajide and Oyekale (2024) opine that the number of people on the audit committee can significantly influence how effectively it carries out its oversight duties. A sufficient number of members is crucial for fostering diverse expertise and preserving independence, while still ensuring the committee operates efficiently and stays focused (Jerry & Saidu, 2017). Aderemi, Osarumwense, Kehinde, and Ben-Caleb (2016) highlight that a larger audit committee plays a major and significant role in limiting earnings management usually proxied as an indicator of financial reporting quality. However, contrasting findings by Alqatamin (2018), based on a study in a different country and domain, suggest that larger audit committees can lose focus arguing that smaller audit committees tend to produce higher-quality financial reports compared to their larger counterparts. Before 2020, the CAMA 1990 allowed for a maximum of 6 members on the audit committee with equal number of owners and directors but CAMA 2020 introduced a prescription of only 5 members with 3 shareholders and 2 non-executive directors.

Audit committee independence

Audit committee independence refers to the committee's capacity to uphold objectivity despite external pressures that may threaten its purpose. In Nigeria, the CBN's corporate governance code requires that a majority of the audit committee's members be non-executive directors, which helps ensure the committee's independence. Independent members are generally regarded as objective and are believed to be less inclined to overlook issues or irregularities in financial reporting (Ayinla, Nuraddeen & Abdullah, 2022). Audit committee independence is a critical element in corporate governance, ensuring that financial oversight remains unbiased and objective. Independent audit committees primarily have non-executive directors as members whom the management cannot easily influence, allowing them to more effectively oversee financial reporting and mitigate conflicts of interest (Chen & Komal, 2021). Bhatia and Gulati (2022) reports that independent committees are less susceptible to overlooking or condoning financial misstatements, fraud, and irregularities, which strengthens overall financial integrity and investor confidence.

Audit committee financial expertise

To effectively fulfill oversight responsibilities in financial reporting and auditing, an audit committee member must

have substantial financial knowledge, experience and at least the ability to read a financial statement, understand it and interpret it (Muhammed, Abdulyakeen, Ajide & Oyekale 2024). Members with substantial financial knowledge and experience are better equipped to identify risks, evaluate complex financial statements, and challenge management when necessary. Regulatory frameworks, such as those outlined by the Sarbanes-Oxley Act (2002), emphasize the importance of financial expertise, mandating at least one "financial expert" on the audit committee for publicly traded companies. These requirements reflect the vital role that expertise plays in maintaining investor confidence and upholding transparency. The previous act was silent on the requirement for financial expertise but CAMA 2020 specifically requires that at least one of the members of the audit committee should be a member of a professional accounting body in Nigeria established by an Act of the National Assembly.

Financial reporting quality

A company's financial report is crucial for the management of the company. Various stakeholders, including shareholders, creditors, employees, financial analysts, and government agencies use and need as it significantly influences their decision-making processes. According to Cadbury (1995), an audit committee's effectiveness is shown through the quality of the financial reports it helps produce. Madawaki and Amran (2014) identify the structure of the audit committee as a factor that determine its ability to achieve reliable financial reporting. Financial reporting quality is essential for maintaining investor trust and ensuring the smooth functioning of financial markets.

Earnings Variability

This study measures earnings variability by adopting the method developed by Leuz, Nanda, and Wysocki (2003). Their work highlights the potential for insiders to manipulate a firm's reported financial health through both operational adjustments and accounting decisions. According to their argument, insiders can conceal changes in their firm's economic performance through both operational and financial decisions. These decisions are used to "smooth" earnings. Smoothing refers to the practice of manipulating accruals (non-cash accounting entries) to reduce the fluctuation of reported earnings. Earnings variability refers to the degree of fluctuation in a company's reported earnings over time. It can be seen as a measure of earnings stability, with more stable earnings being considered an indicator of high-quality financial reporting, as it suggests less manipulation and more accurate reflection of the company's actual performance. Dechow and Schrand (2004) discuss how earnings variability can serve as an indicator of earnings quality, with higher variability potentially signaling lower quality. Significant fluctuations in earnings can suggest aggressive accounting practices or earnings manipulation, leading to concerns about the reliability of financial reports while stable earnings may indicate consistent financial reporting and adherence to accounting standards, reflecting higher FRQ.

Theoretical Review

Stakeholder Theory

Stakeholder Theory, developed by Freeman in 1984, is a normative and descriptive framework on how organizations should manage any relationship they have with groups or individuals, with its focus on anyone who has a stake, i.e., an interest, in an organization. An organization must learn to manage the interaction between the diverse set of stakeholders, which includes, shareholders, employees, customers, regulators, and society at large (Letza, Sun & Kirkbride 2004). In the context of corporate governance, the theory emphasizes the need for mechanisms, such as audit committees, to balance these interests and ensure that financial reporting aligns with stakeholder expectations for transparency, accountability, and trust. Stakeholder theory positions audit committees as safeguards that mediate between management and stakeholders (Muhammed, Abdulyakeen, Ajide & Oyekale 2024). This theory is necessary for this study because the efficient functioning of audit committees is expected to benefit various stakeholder groups by promoting high-quality financial reporting.

Agency Theory

Michael Jensen and William Meckling are widely credited with formalizing agency theory in their 1976 paper. Jensen and Meckling (1976) explain that agency theory examines the intricate relationship between two parties: the principal and the agent. The problem the theory posits is that the agent may not consistently act in the principal's best interest because of "conflict of interest". The principal hires the agent to make decisions on their behalf but when the agent's objectives differ from those of the principal or the agent prioritizes their own goals over those of the principal, it can create a conflict of interest (Lopes, 2016). Audit committees act as a governance mechanism to mitigate agency conflicts by monitoring managerial actions, particularly in the area of financial reporting. Therefore, audit committees are expected to reduce the agency problem by monitoring management's actions and ensuring that financial reports are accurate and free from manipulation. The audit committee's oversight helps ensure that the reported earnings reflect the true financial performance of the company and not management's self-interested manipulation of earnings figures for personal or short-term gains. A strong, independent and diverse audit committee acts as a safeguard to reduce information asymmetry between management and shareholders, ensuring the reported earning is trustworthy. This study examines whether governance reforms, such as CAMA 2020, strengthen or weaken the audit committee's role in mitigating agency conflicts and is therefore anchored on this theory.

This is the underpinning theory.

Empirical Review

The impact of audit committee attributes on the financial reporting quality of listed consumer goods firms in Nigeria was studied by Muhammed, Abdulyakeen, Ajide and Oyekale (2024). Data were sourced from the annual reports of 16 listed consumer goods companies covering the period from 2009 to 2022. Fixed effect regression analysis was employed alongside the Hausman and Breusch-Pagan tests. The findings indicate that audit committee independence (ACI), size (ACS), and shareholder participation (SIAC) significantly contribute to improving the quality of published financial information in Nigerian consumer goods firms, the result showed a negative and significant relationship.

Sadiq, Barde and Dandago (2024) investigated how audit committee attributes influence compliance with disclosure requirements for loans and advances in Nigeria's listed deposit money banks. The research covers 14 listed banks over an 11-year period. The results indicate that audit committee independence, meeting frequency, and financial expertise have a positive impact on compliance, while audit committee size shows a negative relationship. Firm size is also positively associated with compliance. The study reasonably concludes that companies should establish independent audit committees with an optimal size and expertise balance, hold regular meetings, and include members with financial expertise. Amadi, Chukwu, Okoba, and Sigah (2024) explored the effect of audit committee characteristics on financial reporting quality in listed breweries in Nigeria. The characteristics of the audit committee were assessed based on the status of the audit committee chair, financial literacy, and gender diversity, while financial reporting quality was measured by the likelihood of small earnings increases. Data for the study were collected from the annual reports of four listed breweries in Nigeria from 2012 to 2022. The findings revealed that the status of the audit committee chair had a significant positive effect on the likelihood of small earnings increases, while financial literacy had a significant negative effect. Gender diversity, however, showed an insignificant and negative effect on the probability of small earnings increases.

In their study, Izevbekhai, Solomon, and Christopher (2023) focused on the role of audit committee characteristics in determining the quality of financial statements in Nigeria. Their study aimed to analyze the impact of committee size, independence, and diligence on financial reporting quality in publicly listed non-financial firms. Utilizing secondary data, the study adopted a purposive sampling technique to select 11 non-financial firms listed on the Nigerian Exchange Group. The study found that audit committee diligence and audit committee size negatively impacts financial statement quality while Audit committee independence has a positive impact on financial statement quality.

Kantudu and Alhassan (2022) examined the impact of the audit committee on the quality of financial reporting in

Nigeria. Data were drawn from 41 non-financial firms listed on the Nigerian Stock Exchange (NSE) covering the period from 2011 to 2019. The results reveal that audit committee size, shareholder representation, and the presence of financial experts on the audit committee had a negative impact and are significantly associated with a reduction in earnings management. A cross-sectional survey of 51 listed Nigerian companies to examine the relationship between audit committee attributes and firm performance was done by Babatunde, Ikubor, and Udobi-Owoloja (2022). While the results did not reveal a significant impact of audit committee characteristics, such as gender diversity, on firm performance, the study highlighted the need for stronger corporate governance practices, particularly regarding audit committee independence and effectiveness. The findings suggest that a more focused approach to board composition and oversight is necessary to improve firm performance and prevent corporate failures.

Shamsuddin and Alshahri (2022) examined the relationship between audit committee characteristics and firm performance in the Omani non-financial sector. Their study focused on the impact of audit committee size, independence, and meeting frequency on return on assets (ROA) and Tobin's Q. The research analyzed data from 63 non-financial firms listed on the Muscat Securities Market between 2016 and 2019. Multiple regression analysis was used to assess the impact of audit committee characteristics on firm performance. The findings revealed that only audit committee independence had a significant negative impact on Tobin's Q. This suggests that the effectiveness of audit committees in Omani non-financial firms may be limited, and there is a need for improvements in corporate governance practices to enhance firm performance.

While these research studies have examined the impact of audit committee characteristics on financial reporting quality, most of these studies measure financial reporting quality using discretionary accruals and not earnings variability. Also, not a lot of studies have focused on the regulatory requirements and provisions. This study seeks to address these critical gaps in literature by investigating the impact of audit committee composition on financial reporting quality of manufacturing companies by comparing the results of the impact before and after the implementation of CAMA 2020. It will investigate whether the revised composition requirements for audit committees have contributed to improved oversight, reduced financial irregularities, and better-quality financial reporting.

RESEARCH METHODS

Research Design

The research design used for this study is *Ex-post facto* research design. Secondary data from annual financial reports was used for this research work which are sourced from the Nigerian exchange group. The target population for this research encompasses all thirty-four (34) manufacturing companies within the Nigerian Exchange Group (NXG) from 2017 to 2019 for pre CAMA 2020 and 2021 to 2023 for post CAMA 2020. The year 2020 was ignored because it serves as a base year. 2023 was also chosen because the most recent available data of firms listed on the NGX was for the year 2023. This study employed purposive sampling, selecting a sample of nine (9) industrial goods companies and sixteen (16) consumer goods companies listed on the Nigerian Exchange Group (NXG). These companies were chosen because they represent key drivers of the Nigerian economy and are crucial to the economic growth, and changes within these sectors have a substantial effect on the nation's overall economic performance. The selection was also influenced by the companies' active presence on the Nigerian Stock Exchange, as well as the availability and accessibility of the data needed by the researcher.

Method of Data Analysis

The empirical analysis includes the preliminary analysis, estimation and post estimation. Based on the empirical data structure involved herein, the study utilizes the panel data methodology.

Preliminary Analysis

The preliminary analysis is conducted to assess the statistical properties of the empirical data. Thus, the preliminary

analysis phase includes mainly the descriptive analysis and the multicollinearity test. The descriptive analysis provides the summary statistics (such as mean, maximum, minimum, skewness, kurtosis and Jarque-Bera statistic) of the panel series being examined in both pre-CAMA 2020 and post-CAMA 2020. Moreover, the variance inflation factor was employed to determine the level of multicollinearity between the policy variables.

Estimation Methods

The static panel estimators are more suitable for short panel where the number of cross-sections (N) is larger relative to the time period (T), *i.e.* $N > T$ and $N \rightarrow \infty$. Thus, panel robust least square (RLS), as an estimation method, was employed in the study. The robust least square was employed to avert the problem of non-normality, leverages and/or outliers in data. Thus, robust least squares, as a special class of regression model, appears to be less sensitive to leverage non-normality and outliers.

Measurement of Variables

The independent variable is audit committee attributes and the dependent variable is financial reporting quality.

Audit committee attributes are measured using 3 proxies: Audit committee size, Audit committee independence and Audit committee financial expertise. Audit committee size is measured as the number of members on the audit committee. Audit committee independence is measured as the number of independent directors on the audit committee divided by total audit committee size. Audit committee financial expertise is measured as members of the audit committee that are members of a professional accounting body. "1" if a member exist and "0" if otherwise. Financial reporting quality is measured using earnings variability which is STD of EFOPS / STD of CFFOPS. Where: STD: Standard deviation, EFOPS: Earnings from operations and CFFOPS: Cash flow from operation and firm size is used as a control variable

Model Specification

This study adapted and modified the model of Muhammed, Abdulyakeen, Ajide and Oyekale (2024)

$$DACC_{it} = \beta_0 + \beta_1 ACI_{it} + \beta_2 ACFE_{it} + \beta_3 ACSZ_{it} + \beta_4 SIAC_{it} + \beta_5 FS_{it} + \beta_6 PROF_{it} + \mu i$$

Where;

DACC = discretionary accrual model

ACI = Audit Committee Independent

ACFE = Audit Committee Financial Expertise

ACSZ = Audit Committee Size

SIAC = Shareholder Involvement in Audit Committee

FSZ = Firm size

PROF = Profitability

The modified model is given as:

$$EVAR_{it} = f(ACSZ_{it},\ ACIN_{it}, ACFE_{it}, FSZ_{it}) \quad (1)$$

Where:

$EVAR$ = Earnings Variability

$ACSZ$ = Audit committee size

$ACIN$ = Audit committee independence

$ACFE$ = Audit Committee Financial Expertise

FSZ = Firm Size

Thus, the panel data regression model is expressed as follows:

$$EVAR_{it} = \beta_0 + \beta_1 ACSZ_{it} + \beta_2\ ACIN_{it} + \beta_3 ACFE\ + \beta_4 SFZ + \mu_{it}$$

t = 2017 … 2023 (annual time series)

Subscript $\boldsymbol{i}$ = 1, 2, …, 11

β_0 = intercept coefficient

β_1 = Partial Regression coefficient of ***ACSZ*** with respect to ***EPS***

β_2 = Partial Regression coefficient of ***ACIN*** with respect to ***EPS***

β_3 = Partial Regression coefficient of ***ACFE*** with respect to ***EVAR***

β_4 = Partial Regression coefficient of ***FSZ*** with respect to ***EVAR***

DATA ANALYSES

Descriptive Statistics

It is essential to describe the statistical properties of the variables being examined between pre-CAMA 2020 (2017-2019) and post-CAMA 2020 (2021-2023) periods. The variables include earnings variability (*EVAR*), audit committee size (*ACSZ*), audit committee independence (*ACIN*), audit committee financial expertise (*ACFE*) and firm size (*FSZ*).

Table 4.1-: Summary Statistics

	Pre-CAMA 2020: *N* = 25, *T* = 3 (2017-2019)					**Post-CAMA 2020: *N* = 25, *T* = 3 (2021-2023)**				
Statistics	**EVAR**	**ACSZ**	**ACIN**	**ACFE**	**FSZ**	**EVAR**	**ACSZ**	**ACIN**	**ACFE**	**FSZ**
Obs.	75	75	75	75	75	75	75	75	75	75
Mean	0.953	5.200	2.573	0.653	17.508	1.086	5.080	2.200	0.680	18.015
Maximum	7.133	6.000	5.000	1.000	22.245	15.137	6.000	4.000	1.000	22.347
Minimum	0.064	0.000	0.000	0.000	13.983	0.001	4.000	2.000	0.000	13.894
Std. Dev.	1.159	1.693	0.918	0.479	2.245	1.901	0.319	0.435	0.470	2.152
Skewness	3.588	-2.337	-1.484	-0.644	0.069	5.857	1.746	1.984	-0.772	-0.029

Kurtosis	16.288	7.393	5.893	1.415	1.967	41.795	8.459	6.092	1.596	1.978
Jarque-Bera	712.71	128.547	53.691	13.039	3.396	5132.22	131.21	79.072	13.609	3.273
P-value	0.000	0.000	0.000	0.001	0.183	0.000	0.000	0.000	0.001	0.195

Source: Researcher's computation, (2025)

The summary statistics of the variables being investigated are shown in Table 4.1. It could be observed that higher averages in audit committee size (*ACSZ*) and audit independence (*ACIN*) during the pre-CAMA 2020 period as compared to the post-CAMA 2020 period. However, the post-CAMA 2020 period witnessed higher averages in earnings variability (*EVAR*), audit committee financial expertise index (*ACFE*) and firm size (*FSZ*) as compared to the post-CAMA 2020 era. Evidently, as shown in the Table, *ACSZ*, *ACIN*, *ACFE* and *FSZ* exhibit high variability levels in the pre-CAMA 2020 period as compared to the post-CAMA 2020 era judging by their respective standard deviations (higher standard deviations in the pre-CAMA 2020 era). The foregoing implies that the predictive powers in *ACSZ*, *ACIN*, *ACFE* and *FSZ* could be higher in pre-CAMA 2020 era as compared to the post-CAMA era. However, as regards *EVAR*, higher standard deviation was witnessed in the post-CAMA 2020 era as compared to that observed during the pre-CAMA 2020 era suggests a high variability level in *EVAR* during the pre-CAMA 2020 as compared era. The foregoing also implies that *EVAR* could witness low predictive capacity and accompanying financial risk. The Jarque-Bera statistics indicate that EVAR (as indicators of financial reporting quality) and all selected components of audit committee composition exhibit significant deviations from a normal distribution, with p-values below the 0.05 percent significance level. This suggests that the variables considered do not adhere to a normal distribution and may contain outliers (extreme observations in the response variables) and leverages (extreme observations in the policy variables).

Multicollinearity Test

To test multicollinearity among the policy variables for each of the models, the variance inflation factor (VIF) was utilized.

Table 4.2-: Variance Inflation Factor

Model 1: Pre-CAMA 2020: DV: *EVAR*			**Model 2: Post-CAMA 2020: DV: *EVAR***		
Variable	**VIF**	**1/VIF**	**Variable**	**VIF**	**1/VIF**
ACSZ	7.070	0.141	ACSZ	1.810	0.552
ACIN	7.322	0.137	ACIN	1.919	0.521
ACFE	1.394	0.718	ACFE	1.154	0.866
FSZ	1.128	0.886	FSZ	1.073	0.932
Mean VIF	**4.228**	.	**Mean VIF**	**1.489**	

Source: Researcher's computation (2024).

Table 4.2 shows the VIFs and the tolerance (1/VIF) among the explanatory variables for each of the models (pre-CAMA 2020 and post-CAMA 2020). A variance inflation factor (VIF) below 10 usually signifies no multicollinearity among the variables. In this case, the VIF values for both models fall within the acceptable range, indicating a moderate correlation among the explanatory variables related to audit committee composition. This suggests that each element of the audit committee's structure has a unique and independent impact on financial reporting quality (EVAR).

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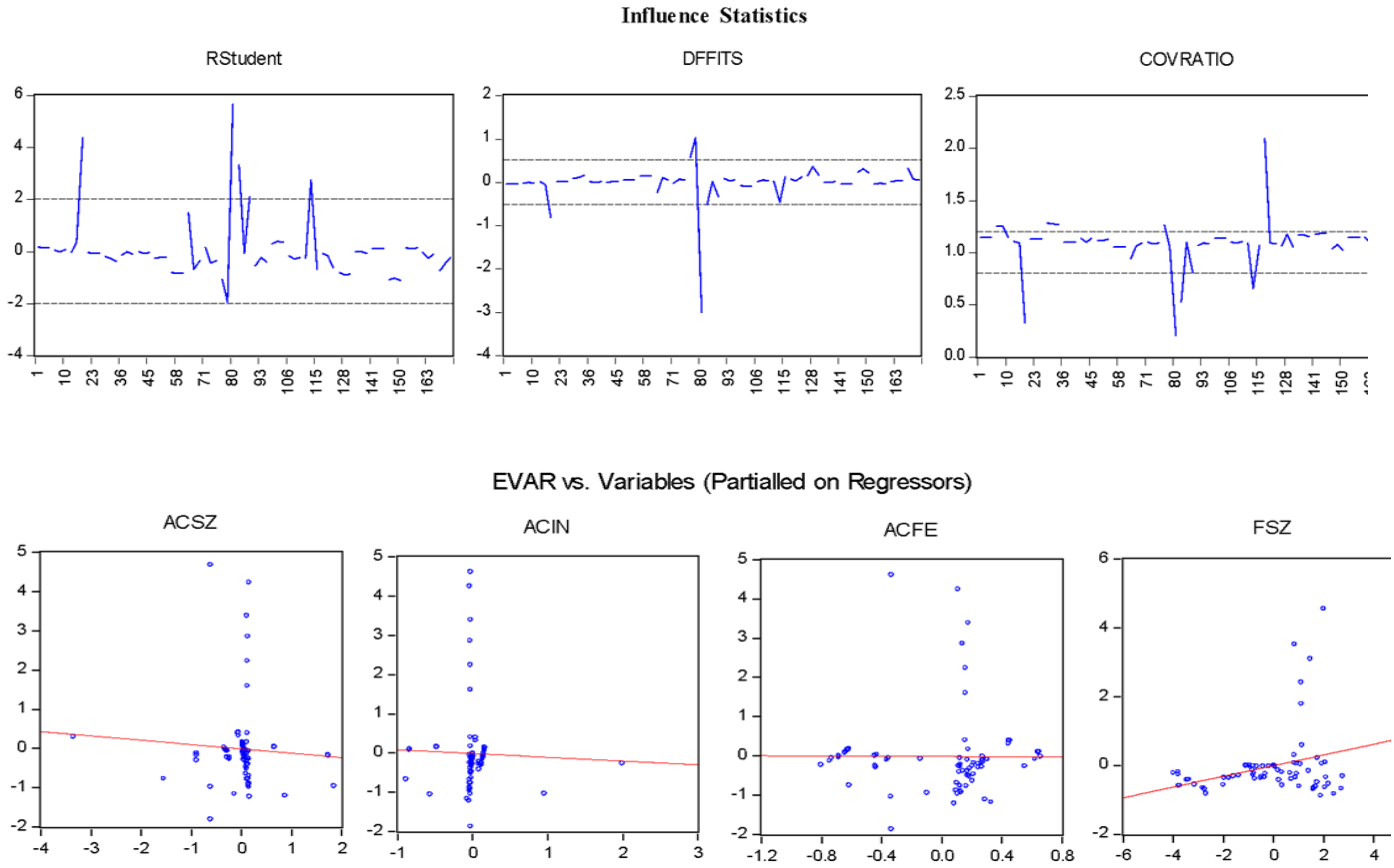
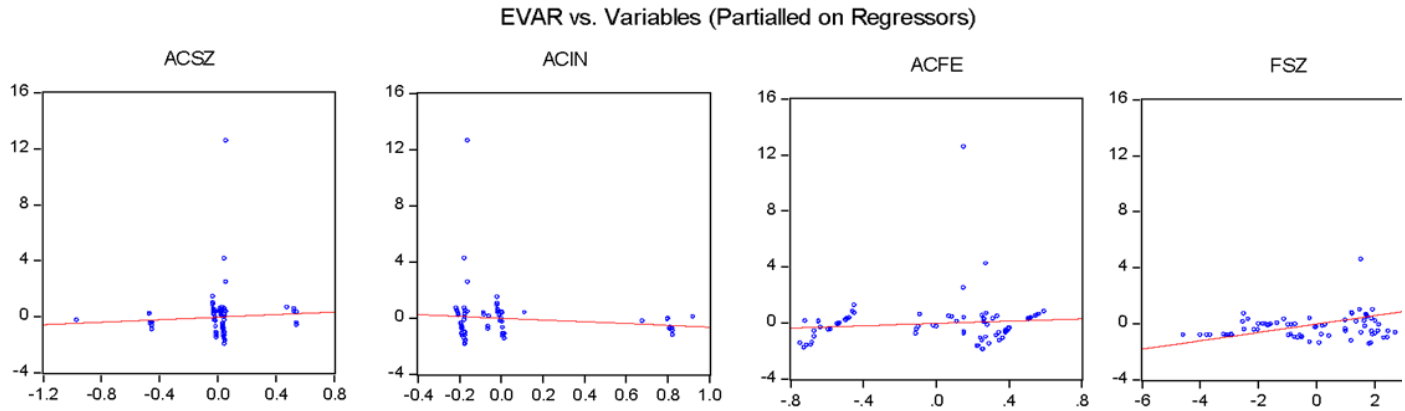
Model Estimation and Results

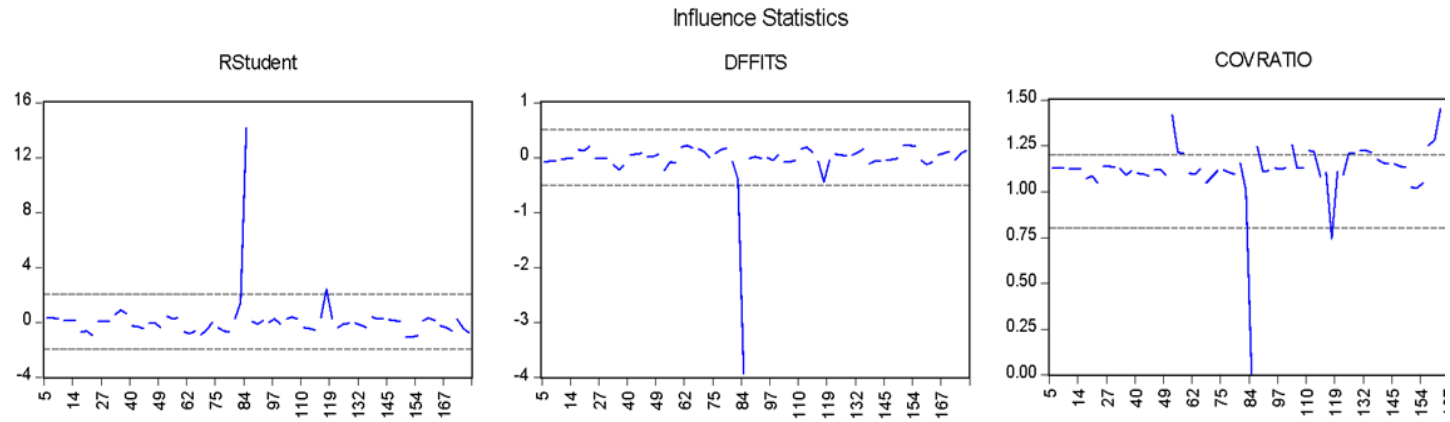
To account for the possibility of the presence of outliers in the data, diagnostic tests were conducted through common effects or pooled OLS estimators. Based on the estimated results (*see* appendix *a*), the post-diagnostic tests involving leverage plots and influence statistics revealed the presence of leverages and outliers in the distributions of the variables being investigated. Both leverage plot and influence statistics are instruments for diagnosing any possible setbacks (such as outliers or influential observations) in the underlying assumption of the classical least squares estimation method

Leverage Plots and Influence Statistics in Pre-CAMA 2020 (2017-2019)



Leverage Plots and Influence Statistics in Post-CAMA 2020 (2021-2023)





The figures 4.1(a & b) and 4.2 (a & b) demonstrate the levels of outliers in the empirical data in the models of pre-CAMA 2020 and post-CAMA 2020 periods respectively. In each case, influential observations or outliers could be observed in leverage plots distant from the fitted regression lines representing the relationship between EVAR and each of *ACSZ*, *ACIN* and *ACFE*. Similarly, high spikes could be observed in the influential statistics involving RStudent (studentized residual), DFFITS (the scaled difference in fitted values) and COVRATIO (the proportion between the determinant of the covariance matrix of the original equation's coefficients and the determinant of the covariance matrix of an equation that does not contain that observation). In other words, both leverage plots and influence statistics demonstrate the presence of outliers or influential observations that distort the distribution of the data, thus, confirming the massive non-normality shown in Table 4.1. The presence of outliers can lead to mild statistical power and inaccurate forecasting and inferences.

Following the foregoing diagnostics, the modes were suitably estimated using panel robust least squares estimation method which accounts for data distortion in terms of outliers and leverages. Table 4.3 presents the results from the panel models estimated using Robust Least Squares. The top section of the table shows the model estimates, while the bottom section displays the robust statistics for the estimated model. The Rw-squared statistic, recommended by Renaud and Victoria-Feser (2010), is used as the measure of fit for the models. Likewise, the Rn-squared statistic serves as the robust equivalent of the F-statistic, used to test the overall significance of the model.

Table 4.3-: Model Estimation Result

Response Variable: EVAR		
Independent Variable	**Pre-CAMA 2020 Coefficient (p-value)**	**Post-CAMA 2020 Coefficient (p-value)**
Intercept	-0.4705*** (0.0000)	-5.2707*** (0.0000)
ACSZ	-0.0436*** (0.0054)	0.7771*** (0.0000)
ACIN	-0.1229*** (0.0000)	-0.7096*** (0.0000)
ACFE	0.0656*** (0.0076)	0.2611*** (0.0079)
FSZ	0.1049*** (0.0000)	0.2085*** (0.0000)
Further Statistics and Tests		
Statistic	**Pre-CAMA 2020**	**Post-CAMA 2020**
R^2 (Rw-squared)	0.9737	0.9662
Adjusted R^2	0.9737	0.9662

Rn-squared stat.	824.96*** (0.0000)	149.67*** (0.0000)
Ljung-Box Q-stat.	0.0192 (0.990)	0.1376 (0.934)

Source: Researcher's computation (2025)

Note: The values in the parentheses **()** are the given *p*-values of the respective coefficients and statistics while *** denotes statistical significance at the conventional 1% level of significance, respectively.

Individual Significance Tests

As shown in Table 4.3 under the pre-CAMA 2020 model, it could be observed that changes in each of audit committee size (*ACSZ*: β_1 = -0.0436, p = 0.0054 < 0.01) and audit committee independence (*ACIN*: β_2 = -0.1229, p = 0.000 < 0.01) exert negative and statistically significant effect on earnings variability (*EVAR* as a measure of financial reporting quality) of the selected manufacturing companies in Nigeria. However, changes in audit committee financial expertise (*ACFE*: β_3 = 0.0656, p = 0.0076 < 0.01) generated positive and significant effect on earnings variability (*EVAR*). Thus, the statistical significance conditions of the foregoing empirical tests designate the rejection of the null hypotheses, *i.e.*, $H_0: \beta_1 = 0$ $H_0: \beta_2 = 0$ and $H_0: \beta_3 = 0$ are rejected. Meanwhile, changes in firm size (*FSZ*: β_4 = 0.1049 p = 0.000 < 0.01) exert positive and statistically insignificant effect on earnings variability (*EVAR*) of the selected manufacturing companies.

On the other hand, under the post-CAMA 2020 model in Table 4.3, it could be observed that changes in each of audit committee size (*ACSZ*: β_1 = 0.7771, p = 0.000 < 0.01) and audit committee financial expertise (*ACFE*: β_3 = 0.2611, p = 0.0079 < 0.01) yielded positive and statistically significant effect on earnings variability (*EVAR* as a measure of financial reporting quality) of the selected manufacturing companies in Nigeria. However, changes in audit committee independence (*ACIN*: β_2 = -0.7096, p = 0.0000 < 0.01) generated negative and significant effect on earnings variability (*EVAR*). Similarly, the statistical significance state of the foregoing empirical tests implies the rejection of the null hypotheses, *i.e.*, $H_0: \beta_1 = 0$ $H_0: \beta_2 = 0$ and $H_0: \beta_3 = 0$ are rejected. Meanwhile, changes in firm size (*FSZ*: β_4 = 0.2085, p = 0.000 < 0.01) exert positive and statistically insignificant effect on earnings variability (*EVAR*) of the selected manufacturing companies.

Explanatory Power

From table 4.3, the adjusted-Rw^2 statistics of the pre-CAMA 2020 model (0.9737) and post-CAMA 2020 model (0.9662) indicate that the included policy variables (*ACSZ, ACIN, ACFE* and *FSZ*) in the models explain substantial proportion in the variations of the target variable (*EVAR*) judging by the adjusted Rw^2 statistic.

Test of Overall Significance

The Rn-squared statistics of the pre-CAMA 2020 model as reflected in table 4.3, (stat. = 824.96, p = 0.000) and post-CAMA 2020 model (stat. = 149.67, p = 0.000) signifies that all the variables (*ACSZ, ACIN, ACFE* and *FSZ*) are shown to have a combined or jointly significant effect on financial reporting quality (using earnings variability as a measure) of the selected manufacturing companies in Nigeria.

Model Post-Diagnostic Tests

With reference to Table 4.3, the Ljung-Box Q-statistic of the pre-CAMA 2020 model (Q-stat. = 0.019, p = 0.990) and post-CAMA 2020 model (Q-stat. = 0.1376, p = 0.934) shows that there is no serial correlation in the residuals of the estimated models for the given panel sample structure. As a result, the assumption of "no autocorrelation in the disturbance term" holds true. Therefore, the estimated parameters can be considered reliable for drawing inferences and making policy decisions, as they meet the underlying assumptions of the estimation method.

Summary of Hypotheses Testing Results

Table 4.4 : Summary of Tests of Hypotheses Result

Audit committee composition and financial reporting quality			
	Null Hypotheses (H_0)	**PRE CAMA 2020 Stat. Significance**	**POST CAMA 2020 Stat. Significance**
1.	Audit committee size does not have a significant effect on Earnings variability of manufacturing companies in Nigeria	-Significant ($p < 0.01$)	+Significant ($p < 0.01$)
2.	Audit committee independence does not have a significant effect on Earnings variability of manufacturing companies in Nigeria	-Significant ($p < 0.01$)	-Significant ($p < 0.01$)
3.	Audit committee financial expertise does not have a significant effect on Earnings variability of manufacturing companies in Nigeria	+Significant ($p < 0.01$)	+Significant ($p < 0.01$)

Source: Researcher's compilation (2025).

DISCUSSION OF FINDINGS

This study investigated the nexus between audit committee attributes and financial reporting quality of selected manufacturing companies in Nigeria between pre- and post-CAMA 2020 periods. From hypothesis one, one can deduce from the model estimation result that audit committee size has a negative and statistically significant effect on earnings variability of the selected manufacturing companies in Nigeria before the implementation of CAMA 2020 while it was positive and significant post CAMA 2020 signifying that larger audit committees lead to lower earnings variability which in turn increases financial reporting quality. This is in line with the findings of Muhammed, Abdulyakeen, Ajide and Oyekale (2024) and Kantudu and Alhassan (2022) but disagrees with the findings of Izevbekhai, Solomon, and Christopher (2023). It also suggests that CAMA 2020 weakens the audit committee's role in mitigating agency conflicts and impacts negatively on agency theory in terms of audit committee size.

Findings also reveal that audit committee independence has a negative and significant effect on Earnings variability of manufacturing companies in Nigeria pre and post CAMA 2020 signifying that the more independent the board the higher the financial reporting quality and that the presence of non-executive directors on the audit committee played a significant role in ensuring better financial reporting quality. It also suggests that CAMA 2020 is effective in this regard. This is in line with the findings of Sadiq, Barde and Dandago (2024), Bagais and Aljaaidi (2020) and Izevbekhai, Solomon, and Christopher (2023).

From hypothesis three, Audit committee financial expertise has a positive significant effect on Earnings variability of manufacturing companies in Nigeria pre and post CAMA 2020 indicating that financial expertise on the board leads to lower quality financial reporting. And highlights how CAMA 2020 adjustments hinders the effectiveness of audit committees in addressing issues related to stakeholder and agency theories.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The thrust of this study is to ascertain the effect of audit committee attributes on financial reporting quality oflisted manufacturing firms in Nigeria before and after CAMA 2020. The study concluded that audit committee attributes have a significant effect on financial reporting quality pre and post CAMA 2020.

The findings relating to audit committee size suggests that smaller audit committees may struggle to detect and address errors, potentially compromising the quality of financial reporting. This raises an important question: why did CAMA 2020 reduce audit committee size, given its apparent impact on reducing financial reporting quality? Audit committee independence on the other hand reflects the significant role non-executive directors play in enhancing financial oversight, emphasizing that their expertise, independence, and active engagement are more crucial than their numbers. Interestingly, the Audit committee financial expertise showed an unexpected finding, as financial expertise is traditionally associated with better oversight and improved financial reporting quality. Several factors might explain this outcome. Overconfidence among financial experts could play a role, where a focus on technical compliance rather than the underlying economic realities consequently permits aggressive accounting practices. This raises important questions about the training, independence, and orientation of these experts. If their expertise fails to improve reporting quality, it may point to gaps in their understanding of governance responsibilities or misalignment with the interests of stakeholders which means it doesn't solve the agency problem and does not align with stakeholders theory. Furthermore, since the positive effect persisted post-CAMA 2020, it indicates that the reforms may not have adequately addressed the role of financial expertise in enhancing financial reporting quality. This portrays a potential shortfall in the reforms' ability to ensure that financial experts on audit committees contribute meaningfully to accurate and transparent reporting.

Therefore, this study concludes that larger audit committees are more efficient in enhancing financial reporting quality and that the presence of non-executive directors on the audit committee remains very crucial in promoting high-quality financial reporting while financial expertise on audit committees does not necessarily lead to better financial reporting quality suggesting that simply having professionals from registered accounting bodies in Nigeria is not enough to guarantee better oversight or improved reporting quality.

Recommendations

Reassess Audit Committee Size Provisions in CAMA 2020: Policymakers should review and reconsider the reduction in audit committee size mandated by CAMA 2020. The findings suggest that smaller audit committees are less effective at mitigating earnings variability, leading to a decline in financial reporting quality. Increasing the size of audit committees could enhance their ability to oversee financial reporting and address errors effectively.

Maintain or Strengthen the Role of Non-Executive Directors: Appointing independent, qualified, and engaged individuals to audit committees should be prioritized. Their independence and expertise are more important than their numbers and there should be stringent selection criteria for Non-Executive directors which emphasize governance expertise, and a demonstrated commitment to independence. This will ensure that those appointed can effectively contribute to financial oversight.

Enhanced Training and Orientation for financial experts: Ensure financial experts understand their role in promoting high-quality, principle-based financial reporting rather than focusing solely on technical compliance and they should understand their oversight role and governance role

Strengthen Governance Training Programs: Ongoing training should be done for all audit committee members. They should receive regular training on evolving financial regulations, governance best practices, and industry-specific risks which would emphasize the importance of their governance responsibilities. This would help them stay updated and make informed decisions in their oversight roles.

Regularly Evaluate CAMA 2020's Effectiveness: Policymakers and regulators should conduct periodic evaluations of the governance changes introduced by CAMA 2020, especially as regards the audit committee changes. This will help determine if the intended objectives are being met or if further adjustments are necessary.

Monitor the Impact of Smaller Audit Committees: Regulators should establish mechanisms to monitor the impact of smaller audit committees on financial reporting quality. Regular assessments and feedback from stakeholders could provide valuable insights into whether the changes under CAMA 2020 are achieving their intended outcomes

or require further adjustments.

These findings are specific to Nigerian manufacturing firms and may not fully reflect the realities of other industries. Regulatory bodies should take a customized approach, taking into account the unique challenges and operational contexts of individual industries.

Suggestion for further study

This study opens the floor for further investigation into audit committee composition in light of CAMA 2020 requirement. Further areas are:

1. Examining how other sectors and industries might influence the relationship between audit committee composition, and financial reporting quality post CAMA 2020
2. Exploring other earnings management proxies apart from earnings variability.

Contribution to knowledge

This study contributes to the existing body of knowledge on corporate governance and financial reporting particularly in the context of Nigeria's regulatory environment before and after the enactment of CAMA 2020 on audit committee effectiveness in Nigeria. The key contributions are outlined as follows:

The findings from Audit Committee Size and Financial Reporting Quality are valuable for policymakers and corporate governance scholars, emphasizing the need for a reassessment of optimal audit committee size for financial oversight effectiveness.

The study also reinforces the importance of non-executive directors in improving financial reporting quality. While the number of non-executive directors may not be as critical as their expertise, independence, and engagement, their presence is crucial in enhancing financial oversight. This adds to the governance literature.

Contrary to conventional wisdom, the study reveals that the presence of financial experts on audit committees does not necessarily lead to better financial reporting quality. This finding suggests that technical competence alone is insufficient and highlights the importance of training, governance orientation, and independence of financial experts. This contributes to the ongoing debate about the role of financial expertise in corporate governance.

The study's findings also indicate that the changes introduced by CAMA 2020 may not have adequately addressed critical governance gaps related to financial expertise and audit committee effectiveness. The persistence of positive effects post-CAMA 2020 suggests that while regulatory reforms are necessary, they must be carefully designed to ensure they enhance rather than hinder financial reporting quality. This provides a foundation for further regulatory discourse on corporate governance reforms in Nigeria and other emerging markets.

This study offers practical policy recommendations, including reassessing audit committee size, strengthening the role of non-executive directors, enhancing training programs for financial experts, and conducting periodic evaluations of regulatory changes. These contributions are valuable to policymakers, corporate boards, regulatory agencies, and scholars interested in governance reforms and financial transparency

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APPENDIX I

a. Initial Estimation Results

POLS Estimation Outputs: Audit Committee Composition & Financial Reporting Quality: Pre-CAMA 2020

Dependent Variable: EVAR				
Method: Least Squares				
Date: 01/07/25 Time: 15:07				
Sample: 1 175 IF CAMA_20=0				
Included observations: 75				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.942434	1.122814	-0.839350	0.4041
ACSZ	-0.110537	0.202237	-0.546571	0.5864
ACIN	-0.095910	0.379510	-0.252720	0.8012
ACFE	-0.010437	0.317205	-0.032903	0.9738
FSZ	0.155585	0.060908	2.554430	0.0128
R-squared	0.135869	Mean dependent var		0.953173
Adjusted R-squared	0.086491	S.D. dependent var		1.158682
S.E. of regression	1.107442	Akaike info criterion		3.106323
Sum squared resid	85.84991	Schwarz criterion		3.260822
Log likelihood	-111.4871	Hannan-Quinn criter.		3.168013
F-statistic	2.751568	Durbin-Watson stat		1.805680
Prob(F-statistic)	0.034702			

POLS Estimation Outputs: Audit Committee Composition & Financial Reporting Quality: Post-CAMA 2020

Dependent Variable: EVAR				
Method: Least Squares				
Date: 01/10/25 Time: 10:44				
Sample: 1 175 IF YEAR>=2021				
Included observations: 75				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-5.521191	4.215304	-1.309797	0.1945
ACSZ	0.455427	0.885787	0.514150	0.6088
ACIN	-0.629853	0.668445	-0.942266	0.3493
ACFE	0.409019	0.480105	0.851936	0.3972
FSZ	0.299836	0.101009	2.968398	0.0041
R-squared	0.147002	Mean dependent var		1.086227
Adjusted R-squared	0.098259	S.D. dependent var		1.901109
S.E. of regression	1.805293	Akaike info criterion		4.083664
Sum squared resid	228.1358	Schwarz criterion		4.238163
Log likelihood	-148.1374	Hannan-Quinn criter.		4.145353
F-statistic	3.015879	Durbin-Watson stat		0.896962
Prob(F-statistic)	0.023534			

b. Optimal Estimation Results

Estimation Outputs: Audit Committee Composition & Financial Reporting Quality: Pre-CAMA 2020

Robust Least Squares Outputs

Dependent Variable: EVAR		
Method: Robust Least Squares		
Date: 01/07/25 Time: 09:01		
Sample: 2017 2023 IF CAMA_20=0		
Included observations: 75		
Method: M-estimation		
M settings: weight=Bisquare, tuning=0.3, scale=MAD (median centered)		
Huber Type I Standard Errors & Covariance		

Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-0.470506	0.087112	-5.401157	0.0000
ACSZ	-0.043607	0.015690	-2.779229	0.0054
ACIN	-0.122924	0.029444	-4.174840	0.0000
ACFE	0.065648	0.024610	2.667508	0.0076
FSZ	0.104915	0.004726	22.20192	0.0000
	Robust Statistics			
R-squared	0.175809	Adjusted R-squared		0.128712
Rw-squared	0.973747	Adjust Rw-squared		0.973747
Akaike info criterion	1.853823	Schwarz criterion		23.37877
Deviance	0.131675	Scale		0.271122
Rn-squared statistic	824.9619	Prob (Rn-squared stat.)		0.000000
	Non-robust Statistics			
Mean dependent var	0.953202	S.D. dependent var		1.158675
S.E. of regression	1.121420	Sum squared resid		88.03080

Autocorrelation Test Output (Ljung-Box Q-statistics)

Date: 01/07/25 Time: 09:01						
Sample: 2017 2023 IF CAMA_20=0						
Included observations: 75						
Autocorrelation	Partial Correlation		AC	PAC	Q-Stat	Prob*
. | . |	. | . |	1	0.003	0.003	0.0006	0.981
. | . |	. | . |	2	0.015	0.015	0.0192	0.990
*Probabilities may not be valid for this equation specification.						

Estimation Outputs: Audit Committee Composition & Financial Reporting Quality: Post-CAMA 2020

Robust Least Squares Outputs

Dependent Variable: EVAR	
Method: Robust Least Squares	
Date: 01/10/25 Time: 09:36	
Sample: 2021 2023 IF CAMA_20=1	

Included observations: 75				
Method: M-estimation				
M settings: weight=Bisquare, tuning=0.3, scale=MAD (median centered)				
Huber Type I Standard Errors & Covariance				
Variable	Coefficient	Std. Error	z-Statistic	Prob.
C	-5.270680	0.862999	-6.107403	0.0000
ACSZ	0.777111	0.181346	4.285242	0.0000
ACIN	-0.709605	0.136850	-5.185283	0.0000
ACFE	0.261075	0.098291	2.656143	0.0079
FSZ	0.208530	0.020680	10.08358	0.0000
	Robust Statistics			
R-squared	-0.396330	Adjusted R-squared		-0.476120
Rw-squared	0.966150	Adjust Rw-squared		0.966150
Akaike info criterion	1.865969	Schwarz criterion		23.37607
Deviance	0.890463	Scale		0.705583
Rn-squared statistic	149.6698	Prob(Rn-squared stat.)		0.000000
	Non-robust Statistics			
Mean dependent var	1.086210	S.D. dependent var		1.901102
S.E. of regression	1.823011	Sum squared resid		232.6358

Autocorrelation Test Output (Ljung-Box Q-statistics)

Date: 01/10/25 Time: 09:52						
Sample: 2021 2023 IF CAMA_20=1						
Included observations: 75						
Autocorrelation	Partial Correlation		AC	PAC	Q-Stat	Prob*
. | . |	. | . |	1	0.041	0.041	0.1325	0.716
. | . |	. | . |	2	-0.008	-0.010	0.1376	0.934
*Probabilities may not be valid for this equation specification.						