International Journal of Research in Engineering, Science and Management
Volume 7, Issue 8, August 2024
https://www.ijresm.com | ISSN (Online): 2581-5792

Audit Committee and Financial Reporting Quality in Public Universities in Ghana: Moderating Role of Perceived Audit Quality

Reindorf Kudjo Kesemekpor[1], Wisdom Mawuli Kalevor[2], Maclean Bajimpong Betakan[3*]
[1]*Directorate of Internal Audit, University of Cape Coast, Ghana*
[2]*Directorate of Finance, University of Cape Coast, Ghana*
[3]*Department of Business and Social Sciences Education, College of Education Studies, University of Cape Coast, Ghana*

***Abstract*: This study examined the role of audit committees in enhancing the financial reporting quality of public universities in Ghana, with a focus on the moderating effect of perceived audit quality. Data was collected from 215 audit committee members and financial officers at public universities. A purposive sampling technique and a structured questionnaire were employed. The study revealed that effective audit committees significantly improve financial reporting quality, and this relationship was further strengthened by perceived audit quality. The research underscored the importance of strong audit committee structures and high-quality audits in promoting financial transparency and governance. The study further demonstrated that independent audit committees, financial expertise, committee size, meeting frequency, and communication with external auditors are significantly correlated with financial reporting quality. The study highlights the urgent need for robust audit committees to enhance the governance and financial sustainability of public universities. This study provides valuable insights for policymakers and university administrators to strengthen governance practices and improve stakeholder confidence in financial reporting.**

***Keywords*: Audit Committees, Financial Reporting Quality, Perceived Audit Quality, Public Universities, Ghana.**

1. Introduction

Educational institutions are under growing scrutiny for their financial accountability and transparency (Abor, & Tetteh, 2023; Ntim, Soobaroyen, & Broad, 2017; Schinkel, Tóth, & Tuinstra, 2020). Consequently, policymakers and regulators need to identify specific audit committee attributes that enhance the quality of financial reporting (Chronopoulos, Rempoutsika, & Wilson, 2024; Rahman, et al., 2023). This focus is crucial for improving governance standards. Enhanced financial reporting quality expands the data set investors use to estimate a company's intrinsic value, which is critical to the firm's survival (Duan, Hu, & Xue, 2024; Liu, Su, & Zhang, 2021). High-quality audits are essential as they instil confidence in financial statements, providing investors and shareholders with faith in their accuracy (Jarah et al., 2022; Rezaee, 2005). It is argued that when financial reports comply with accounting standards and audit opinions are based on auditing principles, the financial statements become more relevant, transparent, and reliable for investors (Hasan, Kassim, & Hamid, 2020; Mardessi, 2022; Salehi et al., 2020). Financial and audit reports, integral parts of annual reports, should not mislead stakeholders but provide current information with explanatory footnotes (Hasan et al., 2020).

In recent years, stakeholders have raised numerous financial reporting and auditing concerns regarding the collapse of firms worldwide (Obeng Ametal., 2024; Mahdi Sahi, et al., 2022). The most troubling aspect is that auditors claimed to have given clean audit reports to several defunct businesses (Minutti-Meza, 2021). Notable examples include Enron, WorldCom, and Rank Xerox in the U.S. (Olojede, Erin, Asiriuwa, & Usman, 2020). Similar issues have occurred in sub-Saharan Africa; for instance, Deloitte audited the defunct Cadbury Nigeria Plc, and PKF audited the collapsed Imperial Bank of Kenya and Spencon. South Africa has seen the failures of African Bank, VBS Mutual Bank, and Saambou Bank due to similar financial reporting and auditing problems (Rossouw & Styan, 2021).

In Ghana, this problem is particularly severe, with several firms collapsing despite receiving clean audit reports from external auditors. Gateway Broadcasting Services, Ghana Co-operative Bank, and other corporate failures over the past decade highlight the urgent need to strengthen financial reporting and auditing quality. More concerning is the collapse of six banks in 2017 shortly after reporting significant profits. After these collapses, several auditing firms, including Deloitte & Touche, Pannell Kerr Forster (PKF), Mills Lamptey & Co., and Morrison & Associates, were penalized for infractions committed during the auditing process of these defunct banks.

Public universities, vital for national education and progress, often face financial constraints that jeopardize their quality and services (Matebese-Notshulwana, 2021). The Auditor General's reports on Ghana's public institutions reveal alarming financial irregularities. In 2018, irregularities amounted to GH¢3,007,258,924 ($626,512,276), escalating to GH¢15,059,441,806 ($1,792,790,691) in 2022 (Auditor-General Report, 2022). Institutions like the University of Cape Coast accumulated GH¢88,289,417.16 in irregularities (Badoo, Hammond, & Oppong, 2020), while the University of Ghana

*Corresponding author: maclean.betakan@stu.ucc.edu.gh

faced criticism for unrecovered fees and land mismanagement (Auditor-General Report, 2022). Pre-tertiary schools recorded GH¢ 23,492,458.34 ($4,517,780) in irregularities in 2019, and technical universities faced GH¢98,894,466 ($20,603,014) in 2018 (Auditor-General Report, 2022). These issues stem from poor internal controls, inefficient audit committees, and misapplication of financial practices (Flink, 2019; Garcia-Torea et al., 2020; Ghaleb et al., 2020; Lartey et al., 2023;). Consequently, the effectiveness of audit committees in public universities is in question.

In response to recent corporate scandals and fraud cases, regulators have established corporate governance structures to protect investors and prevent fraudulent financial reporting. This has sparked significant debate regarding the role of audit committees in enhancing financial reporting quality, particularly from the perspectives of agency theory and signalling theory (Al-Sayani, Mohamad Nor, & Amran, 2020; Mardessi, 2022; Oyetola, David, & FF, 2024). High-quality financial reports are crucial for shareholders, creditors, investors, and government entities, as they inform investment decisions. However, recent revelations by the auditor general regarding financial misappropriation and mismanagement in Ghana's public universities have raised serious concerns about the sustainability of these institutions.

Financial mismanagement can lead to poorly maintained facilities, negatively affecting the learning environment and student experience (Ferraz, Finan, & Moreira, 2012). Resource misallocation can degrade the quality of education by reducing investment in academic programs, research, and faculty development (Vican, Friedman, & Andreasen, 2020). Persistent financial issues may threaten the sustainability of universities, leading to closures or severe cutbacks that disrupt students' educational journeys and reduce access to higher education (Kumar, Pandey, & Haldar, 2020; Purcell & Lumbreras, 2021; Tierney, 2020).

This study emphasizes the need for audit committees to ensure reliable, timely, and relevant financial information for the efficient management of public universities. While extensive research exists on the direct relationships between effective audit committees and financial reporting quality in various sectors, less is known about this relationship in public universities. To address this gap, the current study introduces the moderating effect of perceived audit quality. Despite the widespread recognition of the importance of audit quality, empirical research examining its moderating effect in public universities is lacking. This study aims to assess the effect of effective audit committees on the financial reporting quality of public universities in Ghana and examine the moderating role of perceived audit quality in this relationship.

The remainder of this paper is structured as follows: Section 2 presents a literature review and outlines the exploratory research hypotheses, Section 3 details the research methodology, Section 4 discusses the results, and Section 5 provides a summary and conclusion of the study.

2. Literature Review

A. *Agency Theory*

Agency Theory focuses on the relationship between principals (such as shareholders) and agents (such as managers or auditors) and how conflicts of interest between them can affect organizational outcomes (Mitnick, 2006; Van Slyke, 2007). In agency theory, the audit committee can be seen as an agent tasked with overseeing financial reporting on behalf of shareholders (principals). The quality of financial reporting serves as a mechanism to reduce information asymmetry between shareholders and management, thereby aligning the interests of both parties. According to Agency Theory, the audit committee acts as a monitoring mechanism to mitigate agency problems, such as managerial opportunism or information asymmetry, by providing oversight and ensuring that financial reports accurately reflect the organization's financial position. By examining factors like independence, expertise, size, and communication with external auditors, the research aims to understand how the audit committee functions as a monitoring mechanism to enhance financial reporting quality. Moreover, the study also considers the moderating effect of audit quality on the relationship between the audit committee and financial reporting quality. This aligns with Agency Theory, as audit quality represents the effectiveness of the external monitoring mechanism (auditors) in ensuring the accuracy and reliability of financial reports.

B. *Financial Reporting Quality*

Financial Reporting Quality (FRQ) has been extensively discussed in accounting literature. Jonas and Blanchet (2000) defined FRQ as transparent financial information without intent to mislead. Akeju and Babatunde (2017) expand this to include non-financial data, crucial for decision-making. Researchers have emphasized that, as contained in the conceptual framework, useful financial information has fundamental qualitative characteristics like relevance and faithful representation, enhanced by comparability, verifiability, timeliness, and understandability (Dennis, 2018; Gjoni-Karameta et al., 2021). International Financial Reporting Standards (IFRS) mandate qualitative and objective attributes in financial statements (Oluwagbemiga, 2021). FRQ indicates transparency and corporate strength (Caputo et al., 2021), vital for mitigating managerial opportunism and enhancing stakeholder confidence through effective governance mechanisms (Miko and Kamardin, 2015). By implementing governance structures that deter opportunistic behaviours, public institutions like universities can enhance FRQ and bolster investor and stakeholder confidence, ultimately fortifying shareholder value and organizational integrity.

C. *Audit Committee*

The audit committee plays a pivotal role in ensuring corporate governance and financial transparency. An effective Audit Committee ensures financial integrity and compliance. Research by Klein (2002) emphasizes the importance of independence, expertise, and diligence within the committee. Its independence from management influence is crucial for effective oversight Additionally, studies by DeZoort and Salterio (2001) highlight the significance of communication and accountability. An effective committee fosters transparency, mitigates risks, and enhances investor confidence (Abbott & Parker, 2000). The Audit Committee's oversight role is crucial in safeguarding stakeholders' interests and maintaining organizational credibility. According to Mardessi, (2022), an independent, expert-staffed, and appropriately sized Audit Committee, meeting regularly, is essential for maintaining financial integrity and investor confidence.

D. Effective Audit Committee and Financial Reporting Quality

The relationship between the effectiveness of audit committees (ACs) and the FRQ is well-documented in academic research (Biehl, Bleibtreu, & Stefani, 2023; Manes-Rossi, Nicolò, & Argento, 2020; Mohamad et al., 2012). However, its application to public universities remains underexplored. Cohen et al. (2008) argue that ACs in these institutions often play a ceremonial role, providing inadequate oversight. This is supported by Mohamad et al. (2012), who found a strong link between AC effectiveness and accruals quality. Furthermore, Bruynseels and Cardinaels (2014) discovered that "friendship ties" within ACs are associated with increased earnings management, lower audit fees, reduced likelihood of going concern opinions, and fewer internal control deficiency reports. To gain a deeper understanding, it is essential to analyze specific AC characteristics: independence, financial expertise, meeting frequency, and committee size.

Independence is a critical factor for ensuring high-quality financial reporting (Alzeban, 2020; Choi et al., 2004; Kamarudin et al., 2017; Kateb, 2024; Fazekas, Ferrali, & Wachs, 2023). Pomeroy and Thornton's (2008) meta-analysis supports the notion that independent ACs improve FRQ by shielding auditors from executive influence. Beasley (2009) found a negative relationship between AC independence and financial fraud, while Choi et al. (2004) noted that AC members holding company shares might compromise reporting integrity due to conflicting interests. Davidson et al. (2005) and Kamarudin et al. (2017) also support the idea that AC independence reduces earnings management and restatements, although complete independence does not always yield consistent results (Lee et al., 2015). Alzeban (2020) found that ACs positively influence the quality of financial reporting (QFR) more than other corporate governance components, such as CEO characteristics and external auditor quality. They also mediate the influence of CEOs on QFR, highlighting the importance of robust AC policies and appointments for enhanced corporate governance. Kateb (2024) studied the impact of International Financial Reporting Standards (IFRS) adoption in Saudi Arabia, revealing that effective ACs reduced earnings management practices, with AC expertise playing a crucial role. However, AC independence correlated positively with earnings management, suggesting that larger ACs might be less effective in certain contexts.

Financial expertise within ACs is another essential element for improving FRQ (Abernathy, Klaus, Le, & Masli, 2023; Hasan et al., 2020; Ngo & Nguyen, 2022; Safari Gerayli, Rezaei Pitenoei, & Abdollahi, 2021). Abernathy et al. (2023) found that firms in areas with higher IT-capable labour forces had fewer financial reporting misstatements and internal control issues, suggesting that IT skills are beneficial for FRQ. In Vietnam, Ngo and Nguyen (2022) discovered that financially savvy CEOs were more likely to engage in earnings management, negatively impacting FRQ. Safari Gerayli et al. (2021) observed that financial expertise within ACs significantly enhanced FRQ in Iran, while Hasan et al. (2020) emphasized the importance of AC expertise for competitive advantage in FRQ. However, Katmon and Al Farooque (2017) found no significant relationship between AC financial expertise and discretionary accruals, indicating that the impact of expertise might vary. DeFond et al. (2005) and Dhaliwal et al. (2010) stress the necessity of financial experts due to the complex responsibilities of ACs, with diverse expertise being particularly beneficial (Kunsandi et al., 2016).

Meeting frequency is also crucial for enhancing FRQ (Alzoubi, 2019; Arif et al., 2021; Buallay & Al-Ajmi, 2020; Xie et al., 2003). Buallay and Al-Ajmi (2020) found that frequent AC meetings improved sustainability reporting among GCC banks, while Alzoubi (2019) showed that frequent meetings between ACs and internal audit functions significantly reduced earnings management in Jordanian firms. Arif et al. (2021) reported that active and independent ACs increased ESG disclosures in Australian energy firms. Xie et al. (2003) found a negative correlation between meeting frequency and earnings management, suggesting that regular meetings improve oversight and deter manipulation. Beasley et al. (2009) and Habbash and Alagla (2015) also support the idea that frequent meetings enhance substantive discussions and reduce financial restatements. Shahkaraiah and Amiri (2017) observed a similar trend in India, where increased meeting frequency reduced financial misrepresentation.

Finally, AC size correlates with FRQ (Felo, Krishnamurthy, & Solieri, 2003; Lutfi et al., 2022; See et al., 2020; Mardessi, 2022; Mardessi, 2021; Islam, Slof, and Albitar, 2023). Felo et al. (2003) found that larger ACs with members possessing accounting or financial expertise enhanced financial reporting quality. Lutfi et al. (2022) emphasized the importance of AC chairs' characteristics for high-quality financial reporting. See et al. (2020) observed that ACs improved audit quality and reduced board intervention in companies on the Jakarta Islamic Index. Haddad et al. (2021) noted that well-structured ACs positively influenced bank performance globally. Larger ACs, with diverse skill sets, are seen as valuable for enhancing FRQ (Dhaliwal et al., 2010; Setiany et al., 2017), although Hasan et al. (2020) found no significant correlation between AC size and FRQ, suggesting context-specific variations.

Effective communication between auditors and ACs is vital for FRQ (Al-Araj, 2023; Beattie, Fearnley, & Hines, 2012; Fiolleau, Hoang, & Pomeroy, 2019; Sarapaivanich, Ekasingh, Sampet, & Patterson, 2024). Fiolleau et al. (2019) and Beattie et al. (2012) both found that effective communication between auditors and ACs enhances audit and financial reporting quality. Sarapaivanich et al. (2024) highlighted the importance of strong auditor-AC relationships for perceived audit quality in SMEs. Al-Araj (2023) discovered that AC characteristics, such as size, independence, and expertise, significantly influence report timing, with effective intra-AC communication playing a crucial role. Regular, timely communication and private sessions are recommended to ensure well-informed ACs (Cohen et al., 2007; Compernolle, 2018; Zhang & Shailer, 2022). The effectiveness of ACs in enhancing FRQ is influenced by independence, financial expertise, meeting frequency, and size. Effective communication between auditors and ACs further supports this relationship, underscoring the complexity and importance of well-structured ACs for reliable financial reporting.

Despite extensive research on audit committee effectiveness and financial reporting quality, there are notable gaps in the literature, particularly concerning public universities in Ghana. Specifically, there is limited empirical evidence on how the independence, financial expertise, meeting frequency, and size of audit committees influence financial reporting quality in these institutions, highlighting the need for a more focused investigation in this context.

Based on the evidence, the study hypothesizes:

H1: Effective audit committee has no significant effect on the financial reporting quality of public universities in Ghana.

E. Perceived Audit Quality

Perceived audit quality is a critical element in the auditing field, reflecting stakeholders' evaluations of audit effectiveness and reliability. Unlike objective data, perceived audit quality is inherently subjective, shaped by individual opinions and impressions. Stakeholders such as investors, regulators, and the general public form views on the effectiveness, reliability, and trustworthiness of audit services. DeAngelo (1981) defines audit quality as the likelihood that auditors will discover and report breaches in the client’s accounting system, emphasizing the auditor’s role in identifying and communicating material misstatements. DeFond and Zhang (2014) expand on this by describing higher audit quality as an enhanced assurance of the truth and accuracy of financial statements, underscoring the importance of instilling confidence in markets and stakeholders who rely on accurate financial information for decision-making. Francis and Yu (2009) identify factors contributing to higher-quality audits, such as the auditor’s ability to issue an opinion on a going concern basis, the accuracy of reports in predicting client failure, and the impact of client behaviour on profit margins through fiscal policies, collectively enhancing stakeholders’ perception of audit reliability and thoroughness.

The appointment of Big 4 auditors facilitates early detection of substantial losses, thereby minimizing earnings manipulation. Firms audited by Big 4 firms exhibit a commitment to transparency, providing shareholders with vital information and mitigating accounting misrepresentation (Palea, 2007; George, 2017). Research demonstrates that Big 4 audits enable timely loss detection and reduce financial misreporting (George, 2017). Consequently, this study employs Big 4 auditors as proxies for audit quality, given their robustness and competence (DeAngelo, 1981). The phenomenon of 'switching auditors' also influences financial reporting credibility and the financial costs associated with management oversight (Huson et al., 2001). While extensive research exists in developed nations, studies examining auditor switching and its underlying reasons remain scarce in Ghana. Ghana's new Companies Act, 2019 (Act 992) addresses auditor switching, limiting an auditor's tenure to six years with a mandatory cooling-off period of six years before reappointment within the same company.

In this study, perceived audit quality is measured through stakeholder confidence, auditor reputation, and audit firm size (Big 4 vs. Non-Big 4). Stakeholders’ confidence in the reliability and transparency of audited financial statements, the reputation and credibility of audit firms (especially Big 4), and the firm's resources and internal controls are significant indicators of perceived audit quality (DeFond & Zhang, 2014; Gaynor, McDaniel, & Neal, 2016; Hasan, Kassim, & Hamid, 2020; DeAngelo, 1981; Francis & Yu, 2009; George, 2017).

F. Moderating the Role of Perceived Audit Quality

The relationship between audit committee effectiveness and financial reporting quality is extensively studied in accounting literature. However, the moderating role of perceived audit quality in this relationship has received less attention, particularly in public universities. Rajgopal et al. (2019) identified several proxies for audit quality, such as the engagement of Big 4 auditors, industry specialist auditors, audit fees, and audit tenure. These factors significantly influence the relationship between audit committees and FRQ. Big 4 auditors, in particular, are perceived to have stronger incentives and superior capabilities for delivering high-quality audits (Huang, Wen, & Zhang, 2020). Their engagement helps firms detect significant financial discrepancies early, reducing the risk of earnings manipulation and enhancing shareholder confidence by signalling a commitment to high FRQ.

Jiraporn et al. (2018) suggest that board independence can be a proxy for external audit quality. Firms with a higher proportion of independent directors are less likely to engage Big 4 auditors. However, there is a positive and significant association between audit committee independence, board independence, and the engagement of Big 4 auditors (Ejeagbasi et al., 2015; Akhalumeh et al., 2017). This indicates that independent audit committees and boards are more inclined to hire reputable audit firms, potentially enhancing FRQ. Beasley et al. (2009) highlighted that audit committees are crucial in mitigating financial misstatements and improving financial report integrity. They argue that the independence and expertise of audit committee members are vital. Perceived audit quality can significantly impact the effectiveness of these committees. If stakeholders perceive the audit as rigorous, the efforts of the audit committee are seen as more credible and effective. Klein (2002) emphasized that audit committee independence and financial expertise are critical for accurate financial reporting, associating such committees with fewer instances of earnings management. High-perceived audit quality enhances the positive effects of these characteristics on FRQ.

Carcello et al. (2002) examined the interaction between audit committee effectiveness and audit quality, finding that companies with high-quality perceived audits show a stronger relationship between effective audit committees and improved financial reporting. This suggests that perceived audit quality enhances stakeholder confidence in financial statements, reinforcing the audit committee's efforts. Similarly, Krishnan (2005) revealed that investors trust financial reports more when audited by firms with high perceived audit quality, which strengthens the relationship between audit committee effectiveness and FRQ. Cohen et al. (2004) analyzed the impact of regulatory changes on audit committee effectiveness and audit quality perception. Following the Sarbanes-Oxley Act (SOX), stricter regulations increased perceived audit quality, thereby enhancing the audit committee's role in improving FRQ. DeFond and Francis (2005) found that high perceived audit quality reduces earnings management, especially in firms with effective audit committees, indicating that perceived audit quality bolsters the audit committee's capacity to prevent financial manipulation.

Zhang et al. (2007) provided a cross-cultural perspective, showing that in countries with strong legal systems and high perceived audit quality, the relationship between audit committee effectiveness and FRQ is more robust. This variation across different regulatory and cultural contexts highlights the importance of perceived audit quality in amplifying the audit committee's impact on financial reporting. Bedard and Gendron (2010) found that frequent and well-structured audit committee meetings correlate with better FRQ, a relationship moderated by perceived audit quality. Committees that meet frequently and are perceived as thorough and effective enhance stakeholder confidence in financial reporting.

Based on this evidence, the study hypothesizes:

H2: Perceived audit quality has no moderating effect on the relationship between effective audit committees and the financial reporting quality of public universities in Ghana.

A visual representation of these factors is in Figure 1.

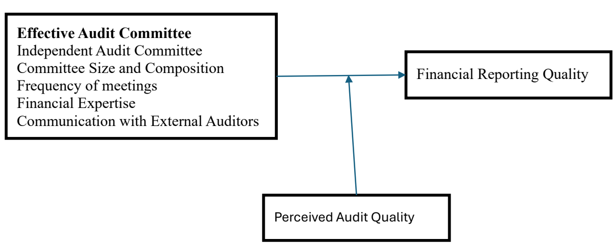

Fig. 1. Conceptual framework (*Source: Authors' construct*)

3. Materials and Methods

The study utilized a descriptive survey design to explore the relationship between audit committee effectiveness and financial reporting quality. This design facilitated the collection and analysis of numerical data, allowing statistical techniques to test hypotheses. The study population comprised all public universities in Ghana. Participants were selected using a purposive sampling technique, targeting audit committee members, internal auditors, and finance officers to ensure relevant expertise in financial reporting and audit processes.

The target population included 1,000 participants from these universities. Based on Adam's (2020) recommendation that a population of 1,000 requires a minimum sample of 211, a random sample of 215 participants was selected to account for potential attrition and ensure the minimum required sample size. Ethics approval for the study was obtained from the Institutional Review Board (IRB) of the University of Cape Coast. The IRB reviewed and approved the study's ethical considerations, including participant consent, confidentiality, and anonymity protocols. This ensured that the research adhered to the ethical standards required for studies involving human subjects. Out of 250 distributed questionnaires, an 86% response rate was achieved. The questionnaires were distributed via face-to-face contacts, emails, and WhatsApp. Data was collected using a structured questionnaire divided into four sections: Section A covered demographic information, Section B focused on audit committee effectiveness (including composition, independence, expertise, and meeting frequency), Section C addressed financial reporting quality (emphasizing accuracy, reliability, and timeliness of financial reports), and Section D assessed perceived audit quality (measured by stakeholder confidence, auditor reputation, and audit firm size, i.e., Big 4 vs. Non-Big 4). The questionnaire was pre-tested with a small sample to ensure clarity and reliability, leading to necessary adjustments before the final administration.

Data analysis was performed using SPSS. Cronbach's alpha was employed to assess the internal consistency of the questionnaire items, aiming for a value of 0.70 or higher for each construct, as per Ursachi, Horodnic, and Zait (2015). The validity of the study was ensured through expert reviews in the fields of auditing and financial reporting. Pearson correlation and regression analysis were utilized to examine the first hypothesis, while moderation analysis tested the second hypothesis. The study adhered to ethical guidelines by obtaining informed consent from all participants and assuring the confidentiality and anonymity of their responses. The reliability results, as indicated by Cronbach's alpha values, demonstrate strong internal consistency for most variables, exceeding the acceptable threshold of 0.70 recommended by Nunnally (1978). This is presented in Table 1.

Table 1
Reliability statistics

Variable	N of Items	Cronbach's Alpha
Independent Audit Committee	6	.784
Financial Expertise	6	.844
Committee Size and Composition	6	.937
Meeting Frequency and Agenda	6	.860
Communication with External Auditors	6	.523
Effective Audit Committee	30	.948
Financial Reporting Quality	10	.934
Perceived Audit Quality	12	.826

Source: Field Data (2024)

As shown in Table 1, the values for independent audit committee (0.784), financial expertise (0.844), committee size and composition (0.937), meeting frequency and agenda (0.860), effective audit committee (0.948), financial reporting quality (0.934), and perceived audit quality (0.826) indicate reliable measures. However, the value for communication with

Table 2
Measurement of variables

No.	Variables	Measurement	Sources
1	Effective Audit Committee	Independent Audit Committee	(Davidson et al. 2005; Lee et al., 2015; Kamarudin et al., 2017; Raimo, et al., 2021)
2		Financial Expertise	(Katmon & Al Farooque, 2017; Kunsandi et al., 2016)
		Committee Size and Composition	(Dhaliwal et al., 2010; Mohammed et al. 2017; Setiany et al., 2017)
		Meeting Frequency and Agenda	(Habbash & Alagla, 2015; Mardessi, 2022; Shahkaraiah & Amiri, 2017)
		Communication with External Auditors	(Cohen et al., 2007; Compernolle, 2018; Zhang & Shailer, 2022)
	Financial Reporting Quality	accuracy, reliability, and timeliness of financial reports	(Caputo et al., 2021; Cohen et al., 2017; Dennis, 2018; Gjoni-Karameta et al., 2021; Oluwagbemiga, 2021)
3	Perceived Audit Quality	Stakeholder Confidence	(DeFond, & Zhang, 2014, Gaynor, McDaniel, & Neal, 2016; Hasan, et al., 2020)
4		Auditor Reputation	(DeAngelo, 1981; Francis, & Yu, 2009; George, N. (2017)
		Audit Firm Size (Big 4 vs. Non-Big 4)	(DeAngelo, 1981; Palea, 2007; George, 2017)

Source: Field Data (2024)

Table 3
Descriptive diagnosis

			Statistic	Std. Error
Financial Reporting Quality	Mean		42.2465	.36785
	95% Confidence Interval for Mean	Lower Bound	41.5214	
		Upper Bound	42.9716	
	5% Trimmed Mean		42.4276	
	Median		41.0000	
	Variance		29.093	
	Std. Deviation		5.39381	
	Minimum		29.00	
	Maximum		50.00	
	Range		21.00	
	Interquartile Range		9.00	
	Skewness		.043	.166
	Kurtosis		-.593	.330

Source: Field Data (2024)

Table 4
Regression diagnosis

Model		Collinearity Statistics		Collinearity Diagnostics	
		Tolerance	VIF	Eigenvalue	Condition Index
1	(Constant)			5.973	1.000
	Independent Audit Committee	.367	2.723	.011	23.562
	Financial Expertise	.272	3.671	.007	29.804
	Committee Size and Composition	.332	3.016	.004	26.477
	Meeting Frequency and Agenda	.169	5.912	.003	22.222
	Communication with External Auditors	.436	2.292	.002	29.816

a. Dependent Variable: Financial Reporting Quality

external auditors (0.523) falls below the threshold, suggesting a need for scale revision or additional items to improve reliability. According to DeVellis (2016), high alpha values might indicate potential item redundancy, while Cortina (1993) recommends supplementing alpha with other validity measures for a comprehensive reliability assessment.

A. Measurement of Variables

Effective audit committee is measured through factors such as independence, financial expertise, and size/composition, sourced from multiple studies. Meeting frequency, agenda, and communication with external auditors are also considered. Financial reporting quality is assessed by the accuracy, reliability, and timeliness of reports. Perceived audit quality includes stakeholder confidence, auditor reputation, and audit firm size (Big 4 vs. Non-Big 4), with references from various academic sources. Table 2 outlines the measurement of variables used in the study.

B. Data diagnosis

As shown in Table 3, the skewness and kurtosis values of the financial reporting quality data indicate a nearly symmetrical distribution. With skewness close to zero (0.043) and kurtosis within the range of normality (-0.593), the data seems to conform to a normal distribution as per the criteria proposed by Hair et al. (2010) and Bryne (2010).

The skewness falls within the acceptable range of -2 to +2, while the kurtosis falls within -7 to +7, affirming the normality assumption. This suggests that the financial reporting quality data is likely normally distributed, implying that the central tendency and spread of the data follow a bell-shaped curve. Such conformity to normality is crucial for many statistical analyses, as it facilitates the application of parametric tests which rely on the assumption of normality for valid inferences. Therefore, researchers can proceed with confidence in utilizing parametric techniques for further analysis of the financial reporting quality data.

As presented in Table 4, tolerance values below 0.1 and VIF values above 10 indicate problematic multicollinearity (Hair et al., 2010). Here, VIF values range from 2.292 to 5.912, suggesting moderate multicollinearity but not severe enough to necessitate corrective measures. Tolerance values also support this interpretation, being above the critical threshold. Multicollinearity diagnostics revealed that all tolerance estimates were above 0.10 and VIF were all below 10 (Gokmen, Dagalp, & Kilickaplan, 2022), indicating no significant issues with multicollinearity. High condition indices (above 30) alongside low eigenvalues indicate multicollinearity (Belsley, Kuh, & Welsch, 1980). The Condition Indices in this model range from 22.222 to 29.816, implying less significant multicollinearity. Despite these values, the model might still be interpretable with caution and the model might still be valid if the primary goal is prediction rather than inference. Overall, while moderate multicollinearity exists, it does not critically undermine the model, aligning with literature that suggests addressing only severe multicollinearity (Kutner et al., 2005).

4. Results

The descriptive information provided in Table 5 offers valuable insights into the demographic characteristics of the respondents involved in the study. Gender distribution reveals a slight predominance of male respondents (54.9%) compared to female respondents (45.1%).

Regarding age, the majority falls within the 25-34 age bracket (39.5%), followed by the 35-44 age group (25.1%). This suggests a relatively youthful demographic profile among participants. In terms of educational background, the majority hold Bachelor's degrees (59.5%), with significant representation from those with Diplomas/HNDs (30.2%). This indicates a well-educated sample, crucial for understanding complex financial reporting and audit concepts. The University of Cape Coast (UCC) represented 25.1% of the respondents, making it the most represented institution in the study. This significant representation could imply that insights drawn from the study may be heavily influenced by the practices and perceptions prevalent at UCC. Professionally, a significant portion of respondents serve as auditors (69.3%), highlighting the relevance of their expertise in assessing financial reporting quality. Moreover, the distribution of years of professional experience indicates a diverse range, with a substantial proportion having 6-10 years of experience (41.4%). The data on respondents' experience in their current roles further underscores the breadth of expertise involved, with a notable proportion having 1-5 years of experience (42.3%). Overall, this descriptive information provides a comprehensive overview of the characteristics of the study participants, laying a solid foundation for understanding their perspectives and contributions to the investigation of audit committee effectiveness and financial reporting quality within Ghanaian public universities.

The first hypothesis was to examine whether an effective audit committee has any significant effect on the financial reporting quality of public universities in Ghana. the results were analysed using both correlation and multiple regression. Correlation results are presented in Table 6.

Table 6 presents Pearson’s correlation analysis between effective audit committees and financial reporting quality. The correlation results indicate strong positive relationships between effective audit committee factors and financial reporting quality in public universities in Ghana. Specifically, the independent audit committee shows a correlation coefficient of .736 with financial reporting quality, suggesting a substantial

Table 5
Descriptive information

	Category	Frequency (215)	Percentage (%)
Gender	Male	118	54.9
	Female	97	45.1
Age	Under 25	8	3.7
	25 – 34	85	39.5
	35 – 44	54	25.1
	45 – 54	40	18.6
	55 – 64	24	11.2
	65 and over	4	1.9
Educational Background	Senior High School or less	6	2.8
	Diploma/HND	65	30.2
	Bachelor's Degree	128	59.5
	Master's Degree	16	7.4
University Name	UCC	54	25.1
	UG	31	14.4
	KNUST	36	16.7
	UEW	41	19.1
	UDS	21	9.8
	Other Universities	32	14.9
Current Job Position	CEO/Executive	8	3.7
	CFO/Financial Officer	39	18.1
	Auditor	149	69.3
	Board Member/Director	19	8.8
Years of professional experience	0-2 years	11	5.1
	3-5 years	19	8.8
	6-10 years	89	41.4
	11-15 years	72	33.5
	More than 15 years	24	11.2
Experience in your role	Less than 1 year	18	8.4
	1-5 years	91	42.3
	6-10 years	49	22.8
	11-15 years	43	20.0
	More than 15 years	14	6.5

Table 6
Correlation between effective audit committee on financial reporting quality

	Financial Reporting Quality	Independent Audit Committee	Financial Expertise	Committee Size and Composition	Meeting Frequency and Agenda	Communication with External Auditors	Audit Quality
Financial Reporting Quality	1						
Independent Audit Committee	.736**	1					
Financial Expertise	.771**	.694**	1				
Committee Size and Composition	.779**	.675**	.621**	1			
Meeting Frequency and Agenda	.842**	.767**	.834**	.789**	1		
Communication with External Auditors	.756**	.659**	.665**	.657**	.678**	1	
Perceived Audit Quality	.688**	.637**	.894**	.561**	.747**	.604**	1

**. Correlation is significant at the 0.01 level (2-tailed).
Source: Filed Data (2024)

Table 7
Regression coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**95% Confidence Interval for B**	
		B	**Std. Error**	**Beta**			**Lower Bound**	**Upper Bound**
1	(Constant)	-4.076	1.790		-2.278	.024	-7.604	-.548
	Independent Audit Committee	.134	.089	.078	1.517	.131	-.040	.309
	Financial Expertise	.263	.100	.157	2.635	.009	.066	.459
	Committee Size and Composition	.341	.082	.225	4.157	.000	.179	.502
	Meeting Frequency and Agenda	.556	.136	.310	4.098	.000	.288	.823
	Communication with External Auditors	.561	.109	.243	5.161	.000	.347	.776
Model Summary	*R* = .893	R^2 = .798	Adjusted R^2 = .793	F (5, 209) = 165.014		P = .000		

a. Dependent Variable: Financial Reporting Quality
b. *Note: CI = Confidence Interval*

Source: Filed Data (2024)

positive relationship. Financial expertise demonstrates an even stronger correlation of .771 with financial reporting quality, indicating that having members with financial expertise positively impacts reporting quality. Committee size and composition also display a robust positive correlation of .779 with financial reporting quality, suggesting that the structure and makeup of the committee influence reporting quality. Meeting frequency and agenda exhibit a high correlation of .842 with financial reporting quality, indicating that regular meetings and well-defined agendas positively impact reporting quality.

Communication with external auditors also shows a significant positive correlation (.756) with financial reporting quality, highlighting the importance of effective communication channels. Perceived audit quality demonstrates a strong positive correlation (.688) with financial reporting quality, implying that the perceived effectiveness of the audit process influences reporting quality. Overall, these correlations suggest that an effective audit committee, with independent members, financial expertise, appropriate size and composition, regular meetings with defined agendas, effective communication with external auditors, and high perceived audit quality, significantly contributes to the financial reporting quality of public universities in Ghana. A strong positive correlation between effective audit committee factors and financial reporting quality in Ghanaian public universities underscores the pivotal role of robust audit committee structures and practices in enhancing reporting integrity.

To further investigate the correlation results, a multiple regression analysis was conducted. Financial reporting quality was regressed on the attributes of an effective audit committee and the results are presented in Table 7. This analysis aimed to examine the relationship between specific audit committee attributes and the financial reporting quality of public universities in Ghana. The overall regression model was found to be significant ($F(5, 209) = 165.014$, $p < .001$), indicating that the combined effect of the independent variables on the dependent variable was statistically significant. See Table 7.

The correlation coefficient ($R = 0.893$) indicated a very strong positive relationship between the audit committee characteristics and financial reporting quality. The model showed substantial explanatory power (Adjusted $R^2 = .793$), indicating that the included independent variables explain around 79.8% suggesting that a substantial portion of the variability in financial reporting quality is explained by the audit committee characteristics in the model. The adjusted for the number of predictors (Adjusted $R^2 = 0.793$) indicated the model's goodness of fit. Looking at the regression coefficients presented in Table 7, it is notable that four out of five predictors demonstrated statistically significant relationships with financial reporting quality. Specifically, Financial Expertise (Beta = .157, p = .009), Committee Size and Composition (Beta = .225, p < .001), Meeting Frequency and Agenda (Beta = .310, p < .001), and Communication with External Auditors (Beta = .243, p < .001) were all found to be significant predictors with positive relationships to financial reporting quality.

The financial expertise coefficient is positive and significant ($p < 0.05$), indicating that having financial expertise on the audit committee significantly improves the financial reporting quality. For every unit increase in financial expertise, the financial reporting quality increases by 0.263 units. The committee size and composition coefficient are also positive and highly significant ($p < 0.001$). It shows that larger and well-composed committees significantly enhance the financial reporting quality. A unit increase in the size and composition of the committee increases the financial reporting quality by 0.341 units. The meeting frequency and agenda coefficient again is positive and highly significant ($p < 0.001$), suggesting that frequent meetings and well-structured agendas lead to better financial reporting quality. Each additional unit in meeting frequency and agenda quality results in a 0.556 unit increase in financial reporting quality. Finally, communication with external auditors' coefficient is positive and highly significant ($p < 0.001$). Effective communication with external auditors significantly enhances financial reporting quality. A unit increase in communication quality results in a 0.561 unit increase in financial reporting quality. This suggests that as these attributes of effective audit committees increase, financial reporting quality tends to improve. However, the independent audit committee (Beta = .078, p = .131) did not show statistically significant relationships with financial reporting quality, despite their positive coefficients. This suggests that having an independent audit committee does not necessarily affect financial reporting quality in public universities.

Overall, this suggests that enhancing attributes like financial expertise, committee size and composition, meeting frequency and agenda, and communication with external auditors within audit committees can lead to improved financial reporting quality in Ghanaian public universities. Therefore, the hypothesis is rejected as various attributes of the audit committee have shown significant effects on the financial reporting quality. These results underscore the importance of specific audit committee characteristics in ensuring transparent and reliable financial reporting practices within educational institutions.

The second hypothesis aimed to investigate whether perceived audit quality moderates the relationship between effective audit committees and the financial reporting quality of public universities in Ghana. To test this, a moderation analysis was conducted, focusing on the role of perceived audit quality (PAQ) in this relationship. Centred variables were used, and the data analysis was performed using the PROCESS SPSS macro (Hayes, 2022). The model explained a significant portion of the variability in financial reporting quality, with an R^2 value of 0.795, indicating that 79.5% of the variance in financial reporting quality was accounted for by the predictors. The F-statistic was significant ($F(3,211) = 273.284$, $p < 0.001$), demonstrating that the overall model fit the data well. The results are detailed in Tables 8 and 9 and in Figure 2.

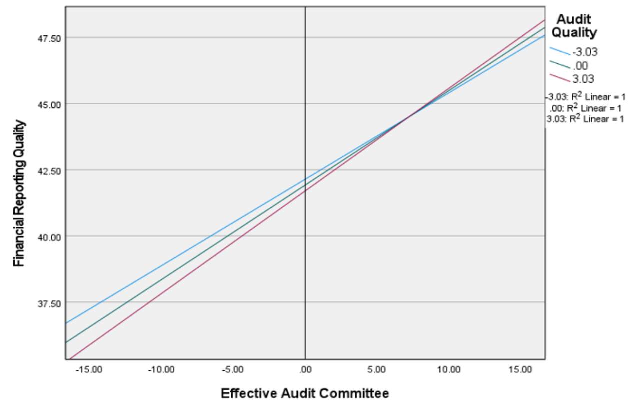

Fig. 2. Visualized moderating effect of perceived audit quality
Source: Filed Data (2024)

Table 8
Model summary of moderated regression analysis predicting happiness

R	R-sq	MS	F	df1	df2	p
.892	.795	6.040	273.284	3.000	211.000	.000
	B	***t***	***P***	**95% CI**		
				Low	**Up**	
Constant	41.927	195.395	.000	41.504	42.350	
AQ (W)	-.073	-.806	.421	-.251	.105	
EAC (X)	.358	16.939	.000	.316	.399	
X * W	.010	2.386	.018	.002	.018	

Source: Filed Data (2024)

Table 9
Conditional effects of effective audit committee

Audit Quality	Effects	SE	*t*	*p*	95% CI	
					Low	**High**
-1 SD	.327	.027	12.018	.000	.273	.381
Mean	.358	.021	16.939	.000	.316	.399
+ SD	.388	.022	17.746	.000	.345	.431

Source: Filed Data (2024)

Table 8 presents the results from the moderated regression analysis. The unstandardized regression coefficients indicate that both effective audit committees (B = 0.358, t = 16.939, $p < 0.001$) and the interaction between effective audit committees and perceived audit quality (B = 0.010, t = 2.386, p = 0.018) significantly predict financial reporting quality. However, perceived audit quality on its own was not a significant predictor of financial reporting quality (B = -0.073, t = -0.806, p = 0.421). Further analysis in Table 9 reveals the conditional effects of audit quality on financial reporting quality at three levels: low (−1 SD), mean, and high (+1 SD). When audit quality was low (−1 SD), the effect on financial reporting quality was 0.327 (SE = 0.027, t = 12.018, $p < 0.001$). At the mean level of audit quality, the effect was 0.358 (SE = 0.021, t = 16.939, $p < 0.001$). When audit quality was high (+1 SD), the effect increased to 0.388 (SE = 0.022, t = 17.746, $p < 0.001$). Figure 2 visualizes the moderation effect in a conditional scatterplot, showing that the relationship between effective audit committees and financial reporting quality varies with the level of perceived audit quality. The statistically significant interaction effect ($p = 0.018$) indicates that perceived audit quality moderates the relationship between effective audit committees and financial reporting quality. Overall, these findings suggest that effective audit committees significantly enhance financial reporting quality in public universities, and this effect is amplified by higher levels of perceived audit quality.

5. Discussion

The findings of the first hypothesis revealed a significant relationship between the effective audit committees and the financial reporting quality of public universities in Ghana. The results indicate that strong and effective audit committees play a crucial role in enhancing the financial reporting quality of public universities in Ghana. Consequently, improving the governance structure of these committees could lead to more reliable and transparent financial disclosures. This finding aligns with prior research emphasizing the pivotal role of audit committees in ensuring transparent and reliable financial reporting practices (Agyei-Mensah & Yeboah, 2019; Islam, Slof, & Albitar, 2023; Kusnadi, Leong, Suwardy, & Wang, 2016; Kateb, 2024; Zgarni & Fedhila, 2021). Specifically, the results highlight four key predictors, such as financial expertise, committee size and composition, meeting frequency and agenda, and communication with external auditors, as significant contributors to improved financial reporting quality. These findings resonate with existing literature underscoring the importance of these factors in fostering robust governance structures and mitigating risks of financial misstatements (Almaqtari et al., 2021; Farber et al., 2018; Phornlaphatrachakorn, 2020). Notably, the positive relationships observed between these attributes and financial reporting quality underscore the imperative for audit committees to possess diverse expertise, maintain regular interactions, and foster effective communication channels with external auditors.

Surprisingly, the results revealed a lack of a statistically significant relationship between independent audit committees and financial reporting quality, despite its positive coefficient. While prior studies have emphasized the significance of independence within audit committees (Bala et al., 2019; Patterson et al., 2019), our findings suggest that independence alone may not suffice in ensuring superior financial reporting quality (Munter, 2021; O'Connor, 2006) within the unique context of Ghanaian public universities. This may indicate that while independence within the audit committee structure is desirable from a governance perspective, it might not directly translate to improved financial reporting quality in the context of Ghanaian public universities. The mere presence of an independent audit committee does not guarantee effectiveness in oversight or decision-making regarding financial reporting (Raimo, Vitolla, Marrone, & Rubino, 2021). Factors such as the level of expertise within the committee, its composition, and the frequency and quality of interactions with external auditors may overshadow the influence of independence alone (Pathak, Samba, & Li, 2021).

The second hypothesis revealed that effective audit committees significantly enhance financial reporting quality, particularly when the perceived audit quality is high. This suggests that high-quality audits amplify the positive impact of an effective audit committee on financial reporting. Consequently, the results underscore the importance of both robust audit committees and high audit quality in achieving superior financial reporting quality. These findings align with prior research (Agyei-Mensah & Yeboah, 2019; Amanamah, 2024; Bala, Amran, & Shaari, 2019; Komal, Ezeani, Usman, Kwabi, & Ye, 2023; Mardessi, 2022; Zgarni, Hlioui, & Zehri, 2016) who discovered similar findings. Agyei-Mensah and Yeboah (2019) found a significant relationship between effective audit committees, audit quality, and earnings management in the context of the Ghana Stock Exchange, indicating that the effectiveness of audit committees alone may not fully determine financial reporting quality. Instead, the quality of the audit process itself plays a crucial role. These findings resonate with the theoretical framework proposed by Bala, Amran, and Shaari (2019), which suggests that audit quality mediates the relationship between audit committee attributes and financial reporting quality. The current study extends this understanding by highlighting the moderating role of audit quality, emphasizing its importance in enhancing the effectiveness of audit committees in ensuring high financial reporting quality. Furthermore, the amplifying effect of higher audit quality on the relationship between effective audit committees and financial reporting quality echoes the results of Mardessi (2022), who explored the moderating effect of audit quality on this relationship. This consistency across studies underscores the significance of audit quality as a critical factor influencing financial reporting outcomes.

6. Conclusion

Regards to the first hypothesis, the study underscores the significant role of effective audit committees in enhancing the financial reporting quality of public universities in Ghana. The findings demonstrate that key attributes such as financial expertise, committee size and composition, meeting frequency and agenda, and communication with external auditors are crucial for improving financial transparency and reliability. However, the independence of audit committees alone is insufficient for superior financial oversight in Ghanaian public universities. This highlights the need for a holistic approach where the expertise, composition, and operational dynamics of audit committees are emphasized over mere structural independence. These findings suggest that governance improvements in these institutions may require a more holistic approach beyond merely ensuring audit committee independence. The study calls for policymakers and university administrators to prioritize the strengthening of audit committee frameworks, ensuring they are well-equipped with diverse expertise and robust communication channels with external auditors. By doing so, public universities in Ghana can achieve greater transparency and accountability in their financial reporting practices, ultimately fostering better governance and trust.

Based on the second hypothesis the results suggest that high-quality audits enhance the positive impact of audit committees on financial reporting. Therefore, both robust audit committees and high audit quality are crucial for achieving superior financial reporting quality in public universities in Ghana. These results support the notion that the effectiveness of audit committees alone may not fully ensure high financial reporting quality, the quality of the audit process itself is also vital. The study extends previous research by demonstrating that audit quality not only plays a crucial role but also amplifies the positive effects of effective audit committees. This amplifying effect highlights the critical role of audit quality in enhancing financial reporting outcomes. Policymakers and university administrators should focus on strengthening audit committees and ensuring high audit quality to improve financial reporting standards. This dual approach will help achieve more reliable and transparent financial reporting, ultimately benefiting the governance and accountability of public universities.

7. Recommendations

To enhance the financial reporting quality of public universities, several key recommendations are proposed. First, continuous professional development programs for audit committee members should be implemented to improve their financial expertise. Recruiting members with strong backgrounds in accounting, finance, or related fields is crucial. Additionally, audit committees should consist of a balanced mix of members with diverse skills, including governance, risk management, and academia. Maintaining an optimal committee size is essential for efficiency and diverse perspectives. Regular meetings, at least quarterly, should be scheduled to review financial statements, internal controls, and audit reports. Detailed agendas should cover critical financial reporting issues, such as risk assessments and compliance. Establishing structured communication channels with external auditors, including periodic meetings, can enhance financial reporting practices.

Engaging reputable audit firms with expertise in the higher education sector is also recommended. Mechanisms to regularly evaluate audit quality should be implemented. Ensuring the audit committee's independence, complemented by enhanced expertise and effective operations, is important. Expanding the audit committee's role to include oversight of governance issues can foster a comprehensive governance framework. Policies supporting the continuous improvement of audit committee functions should be developed. Promoting transparency through public disclosure of audit committee activities and establishing feedback channels from stakeholders can build trust and accountability. These measures collectively aim to strengthen the financial reporting and governance practices of public universities.

References

[1] Abernathy, J. L., Klaus, J. J. P., Le, L., & Masli, A. (2023). Does greater access to employees with information technology capability improve financial reporting quality?. *Contemporary Accounting Research*, *40*(3), 2071-2105.

[2] Abor, P. A., & Tetteh, C. K. (2023). Accountability and transparency: Is this possible in hospital governance?. *Cogent Business & Management*, *10*(3), 2266188.

[3] Agyei-Mensah, B. K., & Yeboah, M. (2019). Effective audit committee, audit quality and earnings management: evidence from the Ghana Stock Exchange. *International Journal of Managerial and Financial Accounting*, *11*(2), 93-112.

[4] Al-Araj, R. (2023). Characteristics of ACs and their impact on the period of issuing the auditor's report: An Empirical study on Jordanian public shareholding companies. *Uncertain Supply Chain Management*, *11*(2), 503-512.

[5] Almaqtari, F. A., Hashed, A. A., Shamim, M., & Al-Ahdal, W. M. (2021). Impact of corporate governance mechanisms on financial reporting quality: a study of Indian GAAP and Indian Accounting Standards. *Problems and Perspectives in Management*, *18*(4), 1.

[6] Al-Sayani, Y. M., Mohamad Nor, M. N., & Amran, N. A. (2020). The influence of audit committee characteristics on impression management in chairman statement: Evidence from Malaysia. *Cogent Business & Management*, *7*(1), 1774250.

[7] Alzeban, A. (2020). The impact of audit committee, CEO, and external auditor quality on the quality of financial reporting. *Corporate Governance: The International Journal of Business in Society*, *20*(2), 263-279.

[8] Alzoubi, E. S. S. (2019). Audit committee, internal audit function and earnings management: evidence from Jordan. *Meditari Accountancy Research*, *27*(1), 72-90.

[9] Amanamah, R. B. (2024). Corporate Governance, Financial Leverage, External Audit Quality, and Financial Reporting Quality in Ghanaian Companies. *Financial Markets, Institutions and Risks*, *8*(1), 43-62.

[10] Arif, M., Sajjad, A., Farooq, S., Abrar, M., & Joyo, A. S. (2021). The impact of audit committee attributes on the quality and quantity of environmental, social and governance (ESG) disclosures. *Corporate Governance: The International Journal of Business in Society*, *21*(3), 497-514.

[11] Bala, H., Amran, N. A., & Shaari, H. (2019). A conceptual framework for the mediating effect of audit quality on the relationship between audit committee attributes and financial reporting quality. *DLSU Business & Economics Review*, *29*(1), 85-92.

[12] Beasley, M. S., Carcello, J. V., Hermanson, D. R., & Neal, T. L. (2009). The audit committee oversight process. *Contemporary Accounting Research*, *26*(1), 65-122.

[13] Beattie, V., Fearnley, S., & Hines, T. (2012). Do UK audit committees really engage with auditors on audit planning and performance?. Accounting and Business Research, 42(3), 349-375.

[14] Bédard, J., & Gendron, Y. (2010). Strengthening the financial reporting system: can audit committees deliver?. *International journal of auditing*, *14*(2), 174-210.

[15] Belsley, D. A., Kuh, E., & Welsch, R. E. (2005). *Regression diagnostics: Identifying influential data and sources of collinearity*. John Wiley & Sons.

[16] Biehl, H., Bleibtreu, C., & Stefani, U. (2023). The real effects of financial reporting: Evidence and suggestions for future research. *Journal of International Accounting, Auditing and Taxation*, 100594.

[17] Buallay, A., & Al-Ajmi, J. (2020). The role of audit committee attributes in corporate sustainability reporting: Evidence from banks in the Gulf Cooperation Council. *Journal of Applied Accounting Research*, *21*(2), 249-264.

[18] Byrne, B. M. (2013). *Structural equation modeling with Mplus: Basic concepts, applications, and programming*. Routledge.

[19] Caputo, F., Pizzi, S., Ligorio, L., & Leopizzi, R. (2021). Enhancing environmental information transparency through corporate social responsibility reporting regulation. *Business Strategy and the Environment*, *30*(8), 3470-3484.

[20] Carcello, J. V., Hermanson, D. R., & Ye, Z. (2011). Corporate governance research in accounting and auditing: Insights, practice implications, and future research directions. *Auditing: A journal of practice & theory*, *30*(3), 1-31.

[21] Chronopoulos, D. K., Rempoutsika, L. M., & Wilson, J. O. (2024). Audit committee oversight and bank financial reporting quality. *Journal of Business Finance & Accounting*, *51*(1-2), 657-687.

[22] Cohen, J. R., Krishnamoorthy, G., & Wright, A. (2004). The corporate governance mosaic and financial reporting quality. *Journal of accounting literature*, 87-152.

[23] Cohen, J., Gaynor, L. M., Krishnamoorthy, G., & Wright, A. M. (2007). Auditor communications with the audit committee and the board of

directors: Policy recommendations and opportunities for future research. *Accounting Horizons*, *21*(2), 165-187.
[24] Compernolle, T. (2018). Communication of the external auditor with the audit committee: Managing impressions to deal with multiple accountability relationships. *Accounting, Auditing & Accountability Journal*, *31*(3), 900-924.
[25] DeAngelo, H. (1981). Competition and unanimity. *The American Economic Review*, *71*(1), 18-27.
[26] DeFond, M. L., & Francis, J. R. (2005). Audit research after sarbanes-oxley. *Auditing: A journal of practice & theory*, *24*(s-1), 5-30.
[27] DeFond, M., & Zhang, J. (2014). A review of archival auditing research. *Journal of accounting and economics*, *58*(2-3), 275-326.
[28] Dennis, I. (2018). What is a conceptual framework for financial reporting?. *Accounting in Europe*, *15*(3), 374-401.
[29] Duan, W., Hu, N., & Xue, F. (2024). The information content of financial statement fraud risk: An ensemble learning approach. *Decision Support Systems*, 114231.
[30] Farber, D. B., Huang, S. X., & Mauldin, E. (2018). Audit committee accounting expertise, analyst following, and market liquidity. *Journal of Accounting, Auditing & Finance*, *33*(2), 174-199.
[31] Fazekas, M., Ferrali, R., & Wachs, J. (2023). Agency independence, campaign contributions, and favoritism in US Federal Government Contracting. *Journal of Public Administration Research and Theory*, *33*(2), 262-278.
[32] Felo, A. J., Krishnamurthy, S., & Solieri, S. A. (2003). Audit committee characteristics and the perceived quality of financial reporting: an empirical analysis. *Available at SSRN 401240*.
[33] Ferraz, C., Finan, F., & Moreira, D. B. (2012). Corrupting learning: Evidence from missing federal education funds in Brazil. *Journal of Public Economics*, *96*(9-10), 712-726.
[34] Fiolleau, K., Hoang, K., & Pomeroy, B. (2019). Auditors' communications with audit committees: The influence of the audit committee's oversight approach. Auditing: A Journal of Practice & Theory, 38(2), 125-150.
[35] Flink, C. M. (2019). Predicting budgetary change: The effect of performance gaps. *Journal of Public Administration Research and Theory*, *29*(2), 227-237.
[36] Francis, J. R., & Yu, M. D. (2009). Big 4 office size and audit quality. *The Accounting Review*, *84*(5), 1521-1552.
[37] Gjoni-Karameta, A., Fejzaj, E., Mlouk, A., & Sila, K. (2021). Qualitative Characteristics of Financial Reporting: An Evaluation According to the Albanian Users" Perception. *Academic Journal of Interdisciplinary Studies*, *10*(6), 35-47.
[38] Gokmen, S., Dagalp, R., & Kilickaplan, S. (2022). Multicollinearity in measurement error models. *Communications in Statistics-Theory and Methods*, *51*(2), 474-485.
[39] Haddad, A., El Ammari, A., & Bouri, A. (2021). Impact of audit committee quality on the financial performance of conventional and Islamic banks. *Journal of Risk and Financial Management*, *14*(4), 176.
[40] Hair, J. F., Anderson, R. E., Babin, B. J., & Black, W. C. (2010). Multivariate data analysis: A global perspective (Vol. 7).
[41] Hasan, S., Kassim, A. A. M., & Hamid, M. A. A. (2020). The impact of audit quality, audit committee and financial reporting quality: evidence from Malaysia. *International Journal of Economics and Financial Issues*, *10*(5), 272.
[42] Huang, P., Wen, Y. C., & Zhang, Y. (2020). Does the monitoring effect of Big 4 audit firms really prevail? Evidence from managerial expropriation of cash assets. *Review of Quantitative Finance and Accounting*, *55*, 739-768.
[43] Islam, M., Slof, J., & Albitar, K. (2023). The mediation effect of audit committee quality and internal audit function quality on the firm size–financial reporting quality nexus. *Journal of Applied Accounting Research*, *24*(5), 839-858.
[44] Jarah, B. A. F., Al Jarrah, M. A., Al-Zaqeba, M. A. A., & Al-Jarrah, M. F. M. (2022). The role of internal audit to reduce the effects of creative accounting on the reliability of financial statements in the Jordanian islamic banks. *International Journal of Financial Studies*, *10*(3), 60.
[45] Kateb, I. (2024). The bridge to quality financial reporting: Audit committees' mediating role in IFRS implementation for emerging markets. *Journal of Corporate Accounting & Finance*, *35*(1), 250-268.
[46] Kateb, I. (2024). The bridge to quality financial reporting: Audit committees' mediating role in IFRS implementation for emerging markets. *Journal of Corporate Accounting & Finance*, *35*(1), 250-268.
[47] Klein, A. (2002). Audit committee, board of director characteristics, and earnings management. *Journal of accounting and economics*, *33*(3), 375-400.
[48] Komal, B., Ezeani, E., Usman, M., Kwabi, F., & Ye, C. (2023). Do the educational profile, gender, and professional experience of audit committee financial experts improve financial reporting quality?. *Journal of International Accounting, Auditing and Taxation*, *53*, 100580.
[49] Krishnan, G. V. (2005). Did earnings management occur during the Asian crisis? A comparison of firms from Hong Kong, Malaysia, Singapore, and Thailand. *Journal of International Financial Management & Accounting, 16*(3), 235-274.
[50] Kumar, S., Pandey, N., & Haldar, A. (2020). Twenty years of Public Management Review (PMR): a bibliometric overview. *Public Management Review*, *22*(12), 1876-1896.
[51] Kusnadi, Y., Leong, K. S., Suwardy, T., & Wang, J. (2016). Audit committees and financial reporting quality in Singapore. *Journal of Business Ethics*, *139*, 197-214.
[52] Kutner, M. H., Nachtsheim, C. J., Neter, J., & Li, W. (2005). *Applied linear statistical models*. McGraw-hill.
[53] Le, B., & Moore, P. H. (2023). The impact of audit quality on earnings management and cost of equity capital: evidence from a developing market. *Journal of Financial Reporting and Accounting*, *21*(3), 695-728.
[54] Liu, C., Su, K., & Zhang, M. (2021). Water disclosure and financial reporting quality for social changes: Empirical evidence from China. *Technological Forecasting and Social Change*, *166*, 120571.
[55] Lutfi, A., Alkilani, S. Z., Saad, M., Alshirah, M. H., Alshirah, A. F., Alrawad, M., & Ramadan, M. H. (2022). The influence of audit committee chair characteristics on financial reporting quality. *Journal of Risk and Financial Management*, *15*(12), 563.
[56] Mahdi Sahi, A., Mahdi Sahi, A., Abbas, A. F., & FA Khatib, S. (2022). Financial reporting quality of financial institutions: Literature review. *Cogent Business & Management*, *9*(1), 2135210.
[57] Manes-Rossi, F., Nicolò, G., & Argento, D. (2020). Non-financial reporting formats in public sector organizations: a structured literature review. *Journal of Public Budgeting, Accounting & Financial Management*, *32*(4), 639-669.
[58] Mardessi, S. (2022). Audit committee and financial reporting quality: the moderating effect of audit quality. *Journal of Financial Crime*, *29*(1), 368-388.
[59] Mardessi, S. M. (2021). The effect of audit committee characteristics on financial reporting quality: The moderating role of audit quality in the Netherlands. *Corporate ownership and control*, *18*(3), 19-30.
[60] Margret, J. E., & Peck, G. (2014). *Fraud in financial statements*. Routledge.
[61] Minutti-Meza, M. (2021). The art of conversation: The expanded audit report. *Accounting and Business Research*, *51*(5), 548-581.
[62] Munter, P. (2021). The importance of high quality independent audits and effective audit committee oversight to high quality financial reporting to investors. *Insecurities Exchange Commission*, *26*.
[63] Ngo, D. N. P., & Nguyen, C. V. (2022). Does the CEO's financial and accounting expertise affect the financial reporting quality? Evidence from an emerging economy. *Journal of Financial Reporting and Accounting*.
[64] Nguyen, Q. K. (2023). Women in top executive positions, external audit quality and financial reporting quality: evidence from Vietnam. *Journal of Accounting in Emerging Economies*.
[65] Ntim, C. G., Soobaroyen, T., & Broad, M. J. (2017). Governance structures, voluntary disclosures and public accountability: The case of UK higher education institutions. *Accounting, auditing & accountability journal*, *30*(1), 65-118.
[66] Obeng Amanfo Ofori, A., Arthur, B., Asiedu, M., Nyantakyi, G., & Opoku, P. (2024). The impact of COVID-19 pandemic on financial reporting delay. Evidence from Ghana. *Cogent Business & Management*, *11*(1), 2318019.
[67] O'Connor, S. M. (2006). Strengthening auditor independence: Reestablishing audits as control and premium signaling mechanisms. *Wash. L. Rev.*, *81*, 525.
[68] Olojede, P., Erin, O., Asiriuwa, O., & Usman, M. (2020). Audit expectation gap: an empirical analysis. *Future Business Journal*, *6*, 1-12.
[69] Oluwagbemiga, O. E. (2021). The influence of IFRS adoption on the quality of financial reporting in Nigerian listed companies. In *Advances in Pacific Basin Business, Economics and Finance* (pp. 137-160). Emerald Publishing Limited.
[70] Oyetola, O., David, O. M., & FF, A. (2024). Financial Reporting Quality at Public Universities in Southwest Nigeria. *Asian Journal of Economics, Business and Accounting*, *24*(5), 283-296.

[71] Pathak, S., Samba, C., & Li, M. (2021). Audit committee diversity and financial restatements. *Journal of Management and Governance*, *25*(3), 899-931.

[72] Patterson, E. R., Smith, J. R., & Tiras, S. L. (2019). The interrelation between audit quality and managerial reporting choices and its effects on financial reporting quality. *Contemporary Accounting Research*, *36*(3), 1861-1882.

[73] Phornlaphatrachakorn, K. (2020). Audit committee effectiveness, internal audit quality, financial reporting quality, and organizational success: an empirical investigation of Thai listed firms. *International Journal of Business*, *25*(4), 343-366.

[74] Purcell, W. M., & Lumbreras, J. (2021). Higher education and the COVID-19 pandemic: navigating disruption using the sustainable development goals. *Discover Sustainability*, *2*(1), 6.

[75] Rahman, S. U., Chen, S., Al-Faryan, M. A. S., Ahmad, I., Hussain, R. Y., & Saud, S. (2023). Audit services and financial reporting quality: The role of accounting expertise auditors. *Cogent Business & Management*, *10*(1), 2164142.

[76] Raimo, N., Vitolla, F., Marrone, A., & Rubino, M. (2021). Do audit committee attributes influence integrated reporting quality? An agency theory viewpoint. *Business Strategy and the Environment*, *30*(1), 522-534.

[77] Rossouw, J., & Styan, J. (2021). Steinhoff collapse: a failure of corporate governance. In *Ownership and Governance of Companies* (pp. 173-180). Routledge.

[78] Safari Gerayli, M., Rezaei Pitenoei, Y., & Abdollahi, A. (2021). Do audit committee characteristics improve financial reporting quality in emerging markets? Evidence from Iran. *Asian Review of Accounting*, *29*(2), 251-267.

[79] Salehi, M., Lari Dasht Bayaz, M., Mohammadi, S., Adibian, M. S., & Fahimifard, S. H. (2020). Auditors' response to the readability of financial statement notes. *Asian Review of Accounting*, *28*(3), 463-480.

[80] Sarapaivanich, N., Ekasingh, E., Sampet, J., & Patterson, P. (2024). SME clients evaluation of audit quality: the roles of auditors' communication effectiveness, rapport and social capital. Journal of Accounting in Emerging Economies, 14(2), 373-395.

[81] Schinkel, M. P., Tóth, L., & Tuinstra, J. (2020). Discretionary authority and prioritizing in government agencies. *Journal of Public Administration Research and Theory*, *30*(2), 240-256.

[82] See, J. K. P., Pitchay, A. A., Ganesan, Y., Haron, H., & Hendayani, R. (2020). The effect of audit committee characteristics on audit quality: the moderating role of internal audit function. *Journal of Governance and Integrity*, *3*(2).

[83] Tierney, W. G. (2020). *Get real: 49 challenges confronting higher education*. State University of New York Press.

[84] Ursachi, G., Horodnic, I. A., & Zait, A. (2015). How reliable are measurement scales? External factors with indirect influence on reliability estimators. *Procedia Economics and Finance*, *20*, 679-686.

[85] Van Slyke, D. M. (2007). Agents or stewards: Using theory to understand the government-nonprofit social service contracting relationship. *Journal of public administration research and theory*, *17*(2), 157-187.

[86] Vican, S., Friedman, A., & Andreasen, R. (2020). Metrics, money, and managerialism: Faculty experiences of competing logics in higher education. *The Journal of Higher Education*, *91*(1), 139-164.

[87] Zgarni, A., & Fedhila, H. (2021). The impact of the interaction between an effective audit committee and audit quality on earnings management in banks. *International Journal of Business Innovation and Research*, *26*(1), 34-57.

[88] Zgarni, I., Hlioui, K., & Zehri, F. (2016). Effective audit committee, audit quality and earnings management: Evidence from Tunisia. *Journal of Accounting in Emerging Economies*, *6*(2), 138-155.

[89] Zhang, P. F., & Shailer, G. (2022). The impact of audit committee expertise on external auditors' disclosures of key audit matters. *International Journal of Auditing*, *26*(2), 151-170.

[90] Zhang, Y., Zhou, J., & Zhou, N. (2007). Audit committee quality, auditor independence, and internal control weaknesses. *Journal of accounting and public policy*, *26*(3), 300-327.