

Corporate Governance, Performance, and Financial Reporting Quality of Listed Manufacturing Firms in Nigeria

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Abstract : The widespread failure in the financial information quality has created the need to improve the financial information quality and to strengthen the control of managers by setting up good firms structures. Published accounting information in financial statements is required to provide various users - shareholders, employees, suppliers, creditors, financial analysts, stockbrokers and government agencies - with timely and reliable information useful for making prudent, effective and efficient decisions. The relationship between corporate governance and performance to financial reporting quality is imperative; this is because despite rapid researches in this area the findings obtained from these studies are constantly inconclusive. Data for the study were extracted from the firms' annual reports and accounts. After running the OLS regression, a robustness test was conducted for the validity of statistical inferences; the data was empirically tested. A multiple regression was employed to test the model as a technique for data analysis. The results from the analysis revealed a negative association between all the regressors and financial reporting quality except the performance of listed manufacturing firms in Nigeria. This indicates that corporate governance plays a significant role in mitigating earnings management and improving financial reporting quality while performance does not. The study recommended among others that the composition of audit committee should be made in accordance with the provision for code of corporate governance which is not more than six (6) members with at least one (1) financial expert.

Keywords : corporate governance, financial reporting quality, manufacturing firms, Nigeria, performance

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