

**INTERNAL AUDIT PRACTICES AND FINANCIAL REPORTING QUALITY OF LISTED CONSUMER GOODS MANUFACTURING FIRMS IN NIGERIA****Dr. Okpolosa Matthew Onyebuchi & Simon Maureen****Department of Accounting, Faculty of Administration and Management,  
Ignatius Ajuru University of Education, Rumuolumeni, Port Harcourt, Rivers State****Email:** onyebuchi,okpolosa55@gmail.com  
simon@iaue.edu.ng**Abstract**

This study investigated the relationship between internal audit practices and financial reporting quality of listed consumer goods manufacturing firms in Nigeria. The research design used in this study was descriptive survey. The targeted population of this study consists of all the twenty-one (21) listed consumer goods manufacturing firms in the Nigerian Exchange Group (NGX) with a respondent total of two hundred and ninety (290). The sample size of the study consists of ten (10) listed consumer goods manufacturing firms that have branches that are located in Rivers State on the basis of purposive sampling technique adoption. The study employed primary data source of questionnaires which was administered to the respondents and two hundred and thirty-one (251) representing a response rate of 86.6% was used as new respondents sample size for the study. The study used content validity and the instrument was given to my supervisor and two other accounting lecturers in the department, they read through and made necessary corrections. The Cronbach alpha reliability test was used to determine the statistical reliability of the instrument. The researcher employed descriptive statistics (frequencies, percentages, means, and standard deviations) and Spearman rank correlation order in data analysis. Findings indicated that there is a significant relationship between internal controls and timeliness and there is a significant relationship between audit risk management and relevance of listed consumer goods manufacturing firms in Nigeria. Based on the summary of findings, this study generally concluded that, internal audit practices positive and significant relationship with financial reporting quality of listed consumer goods manufacturing firms in Nigeria. The study recommended amongst others that consumer goods manufacturing firms in Nigeria should adopt the effective use of internal control since it has positive influence toward increase in financial reporting quality.

***Keyword: Internal Controls, Audit Risk Management and Timeliness*****Introduction**

The quality of financial reporting has remained an issue of significant concern among professional accountants, regulators, and other users of financial information. This is because financial reporting has been a principal means of communicating result of transactions and events which transpired within the organization to the outsiders. Financial reporting is the process by which corporate entities provide interested parties (users) with information on their transactions during an accounting period (Kabiru & Usman., 2021; Agbata & Ezeala, 2025; Appah & Tekerebo, 2024). Among the interested parties are shareholders, creditors, tax authorities, customers, financial analysts, and lenders. The parties need quality financial reports for economic decision making. It enables them to use such information in assessing the economic performance and condition of a business as well as a guide in making economic decisions. Hence, every user of financial information expects that such information will help him in gauging the health status of the reporting entity and in making informed financial decisions (Kantudu, 2022; Ahmeti et al., 2022, Kaawaase et al., 2022; Ajape et al., 2022; Ayinla et al., 2022; Sewwandi et al., 2021; Koskei & Otinga., 2021; Abakasanga et al., 2019). Financial reporting quality is defined as the financial disclosure statements that will disclose the financial status in the annual report and strengthen the investors' confidence in making credible

decisions about their organizations. The chief objectives of financial reporting is to portray the position and performance of the entity in question so that investors in equity and debt, among other stakeholders, can make credible and economic decisions based on accurate information regarding potential risks and returns (Musa et al., 2019). Financial reporting is considered as being of high quality if it possesses three attributes which include transparency, full disclosure and comparability. Transparency is referred to as the revealing of information about events, transactions, judgment and estimates which allows users to see the result and implication of decisions, judgment and estimates of preparers. Full disclosure is related to the provision of all information necessary for decision-making while comparability means that similar transactions are accounted for in the same manner both cross- sectional arising among companies as well as over time (Rash, 2017).

The corporate failures and other related downfalls which occurred around the globe and Nigeria have raised fears about confidence in financial reporting practices by the listed firm in Nigeria. In recent times, financial crime has become more pervasive, and the probability of corporate fraud occurring in Nigeria has become more severe. These aspects of business failure have put greater responsibility on financial experts particularly auditors. Evidence from the literature shows that the perpetuation of financial irregularities are becoming the specialty of both private and public sector in Nigeria as individual perpetrates fraud and corrupt practice according to the capacity of their office. Oladejo et al (2021) stated that audit failures of the early 2000s had raised concerns regarding the timeliness and reliability of accounting reports is a question for informed empirical research on financial reporting quality. Internal audit skills are now critical at resolving the mitigated confidence in audited financial statements. The internal audit practice shows the quality of financial reports maintained by an organization to create confidence among shareholders. Some firm managers in the past have failed to explain what is contained in the policy document to client to discover it when a claim is due that some details when not known. Some client have not actually experienced any default from insurance agents but rely on fabricated lies and what they heard from others (hear say). To address this issue, countries around the world have set out a code of best practice as a guideline. Despite all these measures the challenges for determining credible financial and non-financial reporting in both private and public sectors are still prevalent clear from extant literature of accounting and auditing. Due to the above problems, prior evidence has produced mixed results about relationship between internal audit and financial reporting quality of firms.

### **Aim and Objectives of the Study**

The main aim of this study was to investigate the relationship between internal audit and financial reporting quality of listed consumer goods manufacturing firms in Nigeria. The specific objectives were deduced. Thus to;

1. Investigate the relationship between internal controls and timeliness of listed consumer goods manufacturing firms in Nigeria;
2. Investigate the relationship between audit risk management and timeliness of listed consumer goods manufacturing firms in Nigeria.

### **Research Hypotheses**

The following null hypotheses were tested in this study:

- H<sub>01</sub>:** The relationship between internal controls and timeliness of listed consumer goods manufacturing firms in Nigeria is not significant;
- H<sub>02</sub>:** The relationship between audit risk management and timeliness of listed consumer goods manufacturing firms in Nigeria is not significant;

## REVIEW OF RELATED LITERATURE

### Conceptual Review

**Internal Audit Practices:** Sishumba et al (2022) defined internal audit as a process that involves evaluating and analysing the internal controls of a company by making sure the company complies with laws and regulations. Internal audit is also responsible for evaluating and improving the corporate governance and accounting processes of the company to make sure that there is timely and effective data collection and also accurate financial reporting. Afolabi and Olukoya (2019) defined internal audit practice as the examination of the financial report of an organization as represented in the annual report by someone independent (internal Auditor) in the organization. Nancy (2013) defined internal audit as an independent, objective assurance and consulting activity designed to add value and improve an organizational operation. Sishumba et al (2022) further stated that internal audits also give management the tools they need to improve operational efficiency by detecting problems and fixing gaps before an external audit finds them. The Institute of Internal Auditors (2021) defined internal audit as an activity designed to add value and improve the operations of a company by maintaining independence and high objectivity. Due to the independence and high objectivity, the internal audit helps in achieving company objectives because it evaluates and improves how effective risk management, control, and governance systems are in the company (The Institute of Internal Auditors, 2021). Kalufya and Nyello (2021) viewed internal audit as significant part of internal control which involves oversight undertakings by the audit committee and the panel of executives to ensure that financial reporting practice is sound and up to the mark.

### Dimensions of Internal Audit Practices

#### Internal Controls

Internal controls refer to the measures instituted by an organization to ensure attainment of the entity's objectives, goals and missions. They are a set of policies and procedures adopted by an entity in ensuring that an organization's transactions are processed in the appropriate manner to avoid waste, theft and misuse of organization resources. Ofei (2020) defined internal control as all the policies and procedures adopted by the directors and management of an entity to assist in achieving their objective of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to internal policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information (Ofori, 2011). Internal control is defined as those activities or practices that are designed for the provision of logical security towards the achievement of corporate goals in an efficient, credible financial and administrative reporting, and finally the conformance of appropriate rules that safeguards the corporate reputations (Okoro & Orlu, 2021).

#### Audit Risk Management

Risk and risk management have become common features of an organization in both private and public sectors. Risk management has been an important aspect of sound corporate governance practice in recent years. Organizations are under a lot of pressure to identify and explain how they manage all of the business risks they encounter. An audit risk assessment is a selected number of members of a company's board of directors whose responsibilities include helping auditors remain independent of management. Most audit risk assessments are made up of three to five or sometimes as many as seven directors who are not a part of company management (Nyakundi & Oluoch, 2021). Risk Management refers to the process of identifying loss exposures faced by an organization and selecting the most appropriate techniques for treating these particular exposures effectively (Odunko, 2022). It was concluded that influence of audit characteristics in county government was significant to predict financial accountability and the model was fit to predict their relationship. The actions involved in risk management are critical in maintaining a good internal control system.

Internal audit ensures that risks are properly managed, while management is responsible for identifying and managing risks (Apreku-Djan et al, 2022).

### **Financial Reporting Quality**

Several definitions have been given to the term financial reporting quality. For instance, it is defined as the exact manner by which the report shows information as regards a business activity as it relates to its financial position, with the aim of informing shareholders about a company's operations (Aliyu & Ismail, 2021). Karajeh and Ibrahim (2017) defined FRQ as the degree to which financial statements provide information that is fair and authentic about the financial position and performance of an enterprise. However, a commonly accepted definition is provided by Ragab (2014), who asserted that quality of financial reporting is complete and unambiguous information that is designed to guide users. International Accounting Standard Board (IASB) noted that the objective of financial reporting is to provide financial information about the reporting entity that is useful to present to potential equity investors, lenders and other creditors in making decisions in their capacity as capital providers. Compliance with the objectives and qualitative attributes of financial reporting information, as stated by the IASB 2018, will no doubt enhance financial reporting quality.

### **Measure of Financial Reporting Quality**

#### **Timeliness**

Timeliness refers to the time expectation for accessibility and availability of information. Timeliness can be measured as the time between when information is expected and when it is readily available for use. According to Opanyi (2016) timeliness means that information becomes available to decision makers before it loses its capacity in influencing decisions. Timeliness refers to the amount of time it takes to make information known to others, and it is related to decision usefulness in general (IASB, 2010). According to Herath and Albarqi (2017), timeliness illustrates that information must be available to decision makers before losing its powerful and good influences. When assessing the quality of reporting in an annual report, timeliness is evaluated using the period between the year-end and the issuing date of the auditor's report the period of days it took for the auditor to sign the report after the financial year-end (Beest et al., 2009). Aifuwa et al (2018) argued that timeliness increases the quality of financial reporting as it ensures that the information provided is available to decision makers before it loses its positive impacts. According to the latter, it is estimated as the difference between the end of the year and the date of issue of the auditor's report.

### **Theoretical Framework**

#### **Agency Theory**

The agency theory was popularized by Jensen and Meckling (1976). This theory was established because of the connection that comes between one or more party called principals and another party who is referred to as to execute a task on behalf of the principal Kiplangat and Theuri (2021). It gives an overview of a relationship where one party is given a responsibility to act diligently on behalf of another party; the two come together when one accept to act on behalf of the other and promise that the transactions that will take place benefits the party called principal, (Laffont & Martimort (2009). In this arrangement, one party (the principal) employs the other party (the agent) to discharge some responsibilities on the principal's behalf or to do a duty in which the principal, because of one reason or the other is not able to do it. For instance, in cooperative society arrangement, the shareholders assume the position of the principal whereas the cooperative management is entrusted with the responsibility of running the cooperatives and they are therefore referred to as the agent in which the principal hires to act on their behalf.

This study was anchored to Agency theory because it provide for richer and more meaningful research in the internal audit discipline. Internal audit in common with other intervention mechanism

like financial reporting and external auditing helps to maintain cost efficient contracting between owners and managers. Agency theory may not only to help to explain the existence of internal audit in an organization but can also serve as tool used to explain the characteristics of the internal audit department for example, its size and scope of activities such as financial versus operational. Agency theory can be employed to test empirically whether cross sectional practice between internal auditing practices reflect the different contracting relationships emanating from difference in organization form.

### **Empirical Review**

Agbata and Ezeala (2025) examined the effect of internal audit on the financial reporting quality of quoted real estate and construction firms in Nigeria. Ex-post facto research design was employed in the study. The population of the study comprised nine (9) Construction and Real Estate firms quoted on the Nigerian Exchange Group (NGX) as at 31st December 2023. The period covered was 10 years from 2014-2023. Amongst other preliminary analysis and tests, the ordinary least square regression was employed in validating the hypotheses of the study. The study found that internal audit standard has significant effect on accounting conservatism of quoted real estate and construction firms in Nigeria; internal audit standard has significant effect on earning management of quoted real estate and construction firms in Nigeria; internal audit standard has significant effect on accrual quality of quoted real estate and construction firms in Nigeria. Consequent on the above findings, the study recommended amongst others that Real estate and construction firms should invest in comprehensive training programs for their internal auditors to ensure they are well-versed in the latest auditing standards and practices as this will improve the effectiveness of internal audits and help in the detection and prevention of accounting irregularities, thus enhancing the overall quality of financial reporting.

Appah and Tekerebo (2024) investigated the moderating role of audit committee on the association between internal audit practices and quality of financial reporting of listed consumer goods manufacturing firms in Nigeria. The study used cross sectional and correlational research designs with a population of twenty-one (21) while a sample of ten (10) listed consumer goods manufacturing firms were used for the study. Primary data from structured questionnaires were used for data collection after validity and reliability tests while the responses obtained from the questionnaires were analysed using univariate, bivariate and multivariate analysis of data.. The findings indicate a positive and significant relationship between internal controls, audit risk assessment, internal audit independence on quality of financial reports. The study further revealed that audit committee moderates the association between internal audit practices and quality of financial reports. On the basis of the findings, the study concluded that audit committee moderates internal audit practices and financial reporting quality of listed consumer goods firms in Nigeria. Consequently, the study recommended amongst others that Internal audit departments of Consumer goods manufacturing firms should adopt and employ internal control measures like segregation of duties, restricted access through using access passwords that are frequently changed in evaluating earning per share, this gives opportunity to professional to study, understand, and apply new development on auditing procedures and dissemination of relevant financial information which will enhance financial reporting quality.

Barzo et al. (2023) examined the influence of audit committee characteristics on financial reporting quality in Iraqi firms. Data were collected using a questionnaire and personally administered at random to collect the data from 125 respondents in the study area. Partial Least Squared Structural Equation Model (Smart PLS-3.0) was used and the results show that audit committee size, audit committee independence and audit committee expertise positively and significantly relates to financial reporting quality. The result of the research concluded significantly to the body of existing literature, provided a guide to managers and policies makers, and proffered suggestion for future

research based on limitation of the study. It is suggested that AC size, independence and expertise are matter for FRQ

Ajape et al. (2022) investigated the impact of audit quality on the quality of financial reporting of quoted companies in Nigeria for the period 2011-2020. Ex post facto research design using panel data was employed and the 25 companies in the consumer goods sector quoted on the Nigerian Exchange Group (NGX) constitute the population for this study. Applying purposive sampling technique, a sample of 21 companies were selected. Secondary data relating to the variables were gathered from sampled firms' annual reports for the period and was analysed using descriptive statistics and multiple regression technique. Findings revealed that audit quality has a significantly positive effect on financial reporting quality (FRQ). It is concluded that audit quality significantly improves FRQ of listed companies in Nigeria. It was thus recommended that policy makers and regulatory authorities should ensure enforcement of policies towards ensuring quality financial reporting through quality audits.

Arisandi et al. (2022) examined internal control disclosure and financial reporting quality: Evidence from banking sector in Indonesia. The study used a data collection of Indonesian Stock Exchange listed banking sector companies' financial statement and annual reports in 2016-2019. Sample was chosen using purposive sampling method. The analysis method used in the study was using STATA. The results of this study indicate that internal control disclosure there is significantly related to financial reporting quality. The research contributes empirically to the development of the literature as well as practically becomes a consideration for relevant management in making corporate decisions regarding the disclosure of their internal controls.

Ramadhan and Putri (2022) examined internal audit function and its effect on audit quality of all Non-Financial Companies listed on the Indonesia Stock Exchange. The research used quantitative research. The research data used in the study consisted of All Non-Financial Companies listed on the Indonesia Stock Exchange. After applying the sample selection criteria, finally 722 observations were obtained as the main sample in this study. This study uses multiple linear regression for analysis techniques with STATA 14.0 software. The results show that internal audit size has a positive and significant effect on audit quality as measure by earning management. Internal audit expertize has a positive and significant effect on audit quality as measure by earning management. Internal audit certification has a positive and insignificant effect on audit quality as measure by earning management.

Ayinla et al. (2022) investigated influence of audit attributes on the financial reporting quality of twelve (12) listed Deposit Money Banks in Nigeria from 2012 to 2018. The study used a correlational research design. The study's population consists of fourteen (14) listed DMBs, whereas the adjusted population consists of twelve (12) listed DMBs. Panel data were extracted from the financial report based on the Modified Jones model. As a data analysis approach pooled OLS regression was employed. The panel data regression results demonstrated that audit committee independence and audit committee expertise had a favourable and significant impact on the financial reporting quality of Nigerian listed DMBs. As a result of the study's findings, audit committee independence and audit committee expertise have a significant propensity to enhance financial reporting quality. The research suggests that bank regulators consider mandating professional qualifications, as proposed by the FRCN in the 2016 draft of the suspended NCCG, to improve the audit committee's expertise and diligence. It also suggests that audit committee independence should be focused on how to guarantee financial reporting quality properly reflects the honest and fair picture of the financial report to avoid misleading all of the consumers across the globe of accounting information.

Aidi et al. (2022) determined the influence of the competence and independence of the auditor internal on the quality of internal audit and its impact on the effectiveness of internal control. The study sample consisted of 63 people from auditors at the Indonesian BPKP. Primary data was obtained through observation, interviews, and questionnaires whose validity and reliability have been tested first. The study finding indicated that there is a significant influence of the competence and independence of internal auditors on the quality of internal audit together.

### Empirical Gap

Prior research has studied the relationship between internal audit and financial reporting quality in Nigeria and outside Nigeria but there is a missing gap from the prior studies. Based on the empirical studies reviewed in term of concepts, years, scope, methodology adopted, variable employed, findings, conclusion and recommendations. The following gap was identified. To the best of our knowledge, none of the prior studies have conducted a study on the relationship between internal audit practices and financial reporting quality of listed consumer goods manufacturing firms in Nigeria. Therefore, this study is designed to bridge this knowledge gap that existed in the literature of internal audit and financial reporting quality of listed consumer goods manufacturing firms in Nigeria.

### Methodology

The research design used in this study was descriptive survey. The targeted population of this study consists of all the twenty-one (21) listed consumer goods manufacturing firms in the Nigerian Exchange Group (NGX) with a respondent total of two hundred and ninety (290). The sample size of the study consists of ten (10) listed consumer goods manufacturing firms that have branches that are located in Rivers State on the basis of purposive sampling technique adoption. The study employed primary data source of questionnaires which was administer to the respondents and two hundred and thirty-one (251) representing a response rate of 86.6% was used as new respondents sample size for the study. The study used content validity and the instrument was given to my supervisor and two other accounting lecturers in the department, they read through and made necessary corrections. The Cronbach alpha reliability test was used to determine the statistical reliability of the instrument. The researcher employed descriptive statistics (frequencies, percentages, means, and standard deviations) and spearman rank correlation order in data analysis.

## DATA ANALYSIS AND DISCUSSION OF FINDINGS

### Presentation of Data

This study was an active period of field work where the researcher had directly and indirectly contacts with the proposed respondents at different time. This chapter was designed to enable the researcher to present the primary data collected from the descriptive survey research work and the results obtained are analysed with the help of statistical package for social sciences (SPSS).

**Table 1: Response Rate of Questionnaire Distributed**

	Frequency	Percent	Valid Percent	Cumulative Percent
Questionnaire Retrieved	251	86.6	86.6	86.6
Questionnaire Not Retrieved	23	7.9	7.9	94.5
Valid Questionnaire Not Properly Fill	16	5.5	5.5	100.0
Total	290	100.0	100.0	

**Figure 1 Response Rate of Questionnaire Distributed**

Source: SPSS Output of Field survey (2026)

Table 4.1, Bar chart and Pie chart above showed that, the researcher distributed a total of two hundred and ninety (290) questionnaires to ten (10) listed consumer manufacturing firms that has barnacles in Rivers State, out of these, two hundred and thirty-one (251) respondents representing 86.6% filled the questionnaires correctly and returned the questionnaires, whereas twenty three (23) respondents representing 7.9% did not return the questionnaires while sixteen (16) respondents representing 5.55% filled the questionnaires wrongly and returned the questionnaires. Due to time constraints the researcher could not continue waiting for the respondents who were not available to return their questionnaire at the appointed date. Therefore, two hundred and thirty-one (251) representing a response rate of 86.6% was used as new respondents sample size for the study.

### Data Analysis

**Table 2 Items and Scores on Internal Controls**

S/N		Mean	Std D
1	There is a functional internal control unit/department in our organization	3.609	1.2926
2	The internal control unit has developed an internal audit manual that guides audit operations	3.812	1.2683
3	Control activities has affected our financial revenue for the last five years	3.609	1.3649
4	There is segregation of duties amongst the employees	3.581	1.2729
5	There is regular confirmation, valuation of assets to ensure their physical presence and adequate disclosure in the balance sheet	3.601	1.2902

**Source:** Field Survey (2026)

Results in Table 2 shows that, the highest Mean value of 3.812 came from question 2 statements that internal controls in relationship to financial reporting quality, the highest standard deviation of 1.3649 came question 3 statements about surface acting. This implied that internal controls endeavor to meet the set goals/objectives about financial reporting quality in listed consumer manufacturing firms in Nigeria.

**Table 3 Items and Scores on Audit Risk Management**

S/N		Mean	Std D
1	The Internal audit function has a clear guideline that enable the identification and assessment of risks that threaten the achievement of firm's objectives	3.609	1.3154
2	The audit risk assessment produce quarterly financial reports in our organization	3.4861	1.3033
3	The internal audit function ensures that risk identification considers both internal and external factors and their impact on the achievement of objectives	3.5219	1.3002
4	The audit risk assessment conduct annual appraisals of internal audit practices in our organization	3.7171	1.2278
5	There is compliance test in audit risk assessment	3.9323	1.2097

**Source:** Field Survey (2026)

Results in Table 3 shows that the highest Mean value of 3.9323 came from question 5 statements that audit risk assessment in relationship to financial reporting quality, the highest standard deviation of 1.3154 came question 1 statements about audit risk assessment. This implied that audit risk assessment endeavor to meet the set goals/objectives about financial reporting quality in listed consumer manufacturing firms in Nigeria.

**Table 4 Items and Scores on Timeliness**

S/ N		Mean	Std D
1	Delay in the presentation of company annul reports affect financial reporting quality	3.609	1.3080
2	Timeliness presentation of financial report increase financial reporting quality	3.7410	1.3178
3	Timeliness presentation of financial report improve internal audit	3.7729	1.3799
4	Timeliness presentation of financial reports enhance investors	3.6614	1.2003
5	Auditor reports affect timeliness financial reporting quality	3.4701	1.2783

**Source:** Field Survey (2026)

Results in Table 4 shows that, the highest Mean value of 3.7729 came from question 3 statements that timeliness in relationship to internal audit practices, the highest standard deviation of 1.37994 came question 3 statements about deep acting. This implied that timeliness endeavor to meet the set goals/objectives about internal audit practices of listed consumer manufacturing firms in Nigeria.

### **Bivariate (Correlation) Analysis**

It is imperative to test the hypotheses after completing the univariate analyses. Thus, this section of the study is concerned with the testing of the formulated hypotheses in 1-2. To effectively carry out the testing of the hypotheses, Everitt and Dunn (2001) was adopted as a guide to determine the r value and the extent of the relationship between the variables.

**Table 5 Range of Relationship and Descriptive Level of Association of Relationship**

<b>Range of r values</b>	<b>Descriptive level of association of r</b>
±0.80 – 1.00	Very strong
±0.60 – 0.79	Strong
±0.40 – 0.59	Moderate
±0.20 – 0.39	Weak
±0.00 – 0.19	Very weak

*If the significant/Probability Value (PV) < 0.05 (level of Significance) = reject the null and conclude Significant Relationship*

*If the Significant Probability value (PV) > 0.05 (level of Significance) = Accept the null and Conclude Insignificant Relationship.*

### **Test of Hypotheses One**

#### **Statement of Hypotheses**

**H<sub>01</sub>:** The relationship between internal controls and timeliness of listed consumer goods manufacturing firms in Nigeria is not significant.

**Table 6 Correlations Matrix of Hypotheses One**

		IC	TIMEL
Spearman's rho	IC	Correlation Coefficient	1.000
		Sig. (2-tailed)	.795**
		N	.000
	TIMEL	Correlation Coefficient	.795**
		Sig. (2-tailed)	.000
		N	251

**Source:** Field Survey (2024)

**Note:** IC = Internal Control, TIMEL = Timeliness

**Decision 1:** The results in table 6 revealed a Pearson Correlation Coefficient (rho) of R-value (0.795\*\*) which illustrated a strong positive relationship between internal controls and timeliness of listed consumer goods manufacturing firms in Nigeria with a significance P-value  $0.000 < 0.005$  chosen alpha level. Thus, the significance value is less than the chosen alpha level; therefore the null hypothesis one ( $H_{01}$ ) is rejected and the alternate hypothesis one ( $H_{a1}$ ) is accepted. Therefore, the researcher concludes the relationship between internal controls and timeliness of listed consumer goods manufacturing firms in Nigeria is significant

**Test of Hypotheses Two**

**Statement of Hypotheses**

**H<sub>02</sub>:** The relationship between audit risk management and timeliness of listed consumer goods manufacturing firms in Nigeria is not significant;

**Table 7 Correlations Matrix of Hypotheses Two**

		ARM	TIMEL
Spearman's rho	ARM	Correlation Coefficient	1.000
		Sig. (2-tailed)	.692**
		N	.000
	TIMEL	Correlation Coefficient	.692**
		Sig. (2-tailed)	.000
		N	251

**Source:** Field Survey (2024)

**Note:** ARM = Audit Risk Management, TIMEL = Timeliness

**Decision 2:** The results in table 7 revealed a Pearson Correlation Coefficient (rho) of R-value (0.692\*\*) which illustrated a strong positive relationship between audit risk management and timeliness of listed consumer goods manufacturing firms in Nigeria with a significance P-value  $0.000 < 0.005$  chosen alpha level. Thus, the significance value is less than the chosen alpha level; therefore the null hypothesis two ( $H_{02}$ ) is rejected and the alternate hypothesis two ( $H_{a2}$ ) is accepted. Therefore, the researcher concludes that the relationship between audit risk management and timeliness of listed consumer goods manufacturing firms in Nigeria is significant.

**Summary of Findings**

This study was carried out to empirically investigate the relationship between internal audit and financial reporting quality of listed consumer goods manufacturing firms in Nigeria. Based on the hypotheses tested, it was found that there exists a significant and positive relationship between internal audit and financial reporting quality of listed consumer goods manufacturing firms in Nigeria. The researcher made several other discoveries which are summarized below:

1. There is a significant relationship between internal controls and timeliness of listed consumer goods manufacturing firms in Nigeria,
2. There is a significant relationship between audit risk management and timeliness of listed consumer goods manufacturing firms in Nigeria,

### Conclusions

Based on the summary of findings, this study generally concluded that, internal audit positively and significantly relationship on financial reporting quality of listed consumer goods manufacturing firms in Nigeria. However, other sub-conclusions based on the study variables findings as followed;

1. The relationship between internal controls and timeliness of listed consumer goods manufacturing firms in Nigeria is significant;
2. The relationship between audit risk management and timeliness of listed consumer goods manufacturing firms in Nigeria is significant;

### Recommendation(s)

Based on the findings and conclusions, the study made the following recommendations:

1. Consumer goods manufacturing firms in Nigeria should adopt the effective use of internal control since it has positive influence toward increase in financial reporting quality.
2. Internal audit units of Consumer goods manufacturing firms should adopt and employment of internal control measures like segregation of duties, restricted access through using access passwords that are frequently changed in evaluating earning per share, this gives opportunity to professional to study, understand, and apply new development on auditing procedures and dissemination of relevant financial information which will enhance financial reporting quality.
3. The researcher recommended to management of listed consumer goods manufacturing firms to make sure they stay abreast with technological changes in ICT audit softwares. Furthermore, internal auditors must be frequently trained on how to use the updated softwares.

### REFERENCES

- Abakasanga, N., Ofurum, C. O., & Ogbonna, G. N. (2019). Financial reporting quality and financial performance of quoted banks in Nigeria. *Research Journal of Finance and Accounting*, 10(9), 59-79.
- Afolabi, O. & Olukoya, O. (2020). The relationship between internal control system and performance of deposit money banks in Osun state. *Journal of Global Accounting and Economics*, 5(3), 15-29.
- Agbata, A. E. & Ezeala, G. (2025). Internal audit and financial reporting quality of quoted firms. *Social Sciences and Education Research Review*, 12(1), 245 - 255
- Ahmeti, A., Ahmeti, S. & Aliu, M. (2022). Effect of internal audit quality on the financial performance of insurance companies: Evidence from Kosovo. *International Journal of Applied Economics, Finance and Accounting*, 12(2), 63-68.
- Aidi, A., Sayuthi, Susanto, I., Junaidi, A, Abdurohim. (2022). The effect of competencies and independence internal auditors on internal audit quality: The theoretical review approach. *Ilomata International Journal of Tax and Accounting*, 3(1), 103-116.

- Ajape, K. M., Adeleye, A. O., Salawu, M. W. & Ogunleye, O. J. (2022). Audit quality and financial reporting quality: evidence from Nigeria. *Proceedings of the 7th Annual International Academic Conference on Accounting and Finance Disruptive Technology: Accounting Practices, Financial and Sustainability Reporting*, 1-20.
- Aliyu, S. K. & Ismail, A. (2021). Audit committee and financial reporting quality in listed non-financial firms in Nigeria. *IAR Journal of Tourism and Business Management*, 1(1), 18-27.
- Appah E., & Tekerebo, I. J. (2024). Internal audit practices and financial reporting quality of listed manufacturing firms in Nigeria: The Role of Audit Committee. *African Journal of Accounting and Financial Research*, 7(2), 276-305.
- Arisandi, A., Islami, H. A. & Soeprajitno, R. R. W. N. (2022). Internal control disclosure and financial reporting quality: Evidence from banking sector in Indonesia. *E-Journal Akuntansi*, 32(2), 484-493.
- Ayinla, R. B., Aliyu, N. S., & Abdullah, A. A. (2022). Audit attributes and the financial reporting quality of listed deposit money banks in Nigeria. *Accounting and Taxation Review*, 6(2), 31-46.
- Ayinla, R. B., Aliyu, N. S., & Abdullah, A. A. (2022). Audit attributes and the financial reporting quality of listed deposit money banks in Nigeria. *Accounting and Taxation Review*, 6(2), 31-46.
- Barzo, M. Q., Wan, S. Y., Zardasht, A. Q. B., Haslina, H. B. & Mohd, F. S. (2023). Audit committee Characteristics and Financial Reporting Quality in Iraq Public Listed Firm. *Research Militaries Social Science Journal*, 13(1), 2455- 2468.
- Kaawaase, T. K., Nairuba, C., Akankunda, B. & Bananuka, J. (2021). Internal audit quality and financial reporting quality of financial institutions. *Asian Journal of Accounting Research*, 6(3), 348-366.
- Kabiru, M. & Usman, A. (2021). Effect of audit committee characteristics on financial reporting quality of deposit money banks in Nigeria. *UMYU Journal of Accounting and Finance Research*, 1(1), 89-109.
- Kalufya, N., & Nyello, R. M. (2021). Internal audit practices and financial management reforms: The case of payroll accounting system in the Tanzania public sector. *Open Journal of Business and Management*, 9, 1064-1088.
- Kantudu, A. S. (2022). Audit committee and financial reporting quality in listed nonfinancial firms in Nigeria. *Arabian Journal of Business and Management Review (Kuwait Chapter)*, 11(1), 6-14
- Koskei, J. C. & Otinga, H. N. (2021). Influence of internal audit standards on financial sustainability in county governments; A Case of Kericho county government, Kenya. *IOSR Journal of Economics and Finance (IOSR-JEF)*, 12(4), 49-56.
- Musa, A. F., Magaji, I.G., & Kwakipi E. (2019). The impact of characteristics of firm on quality of financial reporting of quoted industrial goods companies in Nigeria. *Amity Journal of Corporate Governance*, 4(2), 42-57.

- Nancy, M. O. (2013). Effect of internal audit on financial performance of commercial Banks in Kenya. Universty of Nairobi.
- Nyakundi, L. K. & Oluoch, O. (2021). Effect of internal auditing characteristics on financial accountability of public organization: A case of county governments in Kenya. *Global Journal of Management and Business Research: D Accounting and Auditing*, 21(1), 57-74.
- Odunko, S. N. (2022). Internal control and firm performance: Evidence from selected firms in Nigeria (2015-2020). *International Journal of Innovative Finance and Economics Research*, 10(1), 68-80.
- Ofei, E., Owusu, M., & Asante, C. (2020). Effect of internal audit practices on financial performance of banks in Ghana. *International Journal of Current Aspects in Finance, Banking and Accounting*, 2(2), 46-58.
- Okoro, E.V. & Orlu, G. (2021). Internal control practices and treasury fraud in the Rivers State Ministry of Finance. *Journal of Accounting Research*, 7(4), 329-345.
- Oladejo, A. O. (2022). Audit tenure and financial reporting quality of listed Nigerian deposit money banks (2008-2018). *European Business & Management*, 8(4), 81-88.
- Oladejo, M., Yinus, S. O., Shittu, S. & Rutaro, A. (2021). Internal audit practice and financial reporting quality: Perspective from Nigerian quoted foods and beverages firms. *KIU Interdisciplinary Journal of Humanities and Social Sciences*, 2(1), 410-428.
- Ramadhan, M. I., & Putri, L. A. (2022). The internal audit function and its effect on audit quality. *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)*, 5(3), 22282-22288.
- Rasha M. (2017). Main determinants of financial reporting quality in the Lebanese banking sector. *European Research Studies Journal*, 20(4), 706-726.
- Sewwandi, W. A. U. & Abeygunasekera, A. W. J. C. (2021). Internal Audit Function and Financial Reporting Quality: Study of the Sri Lankan Banking Industry. *12th International Conference on Business & Information ICBI, University of Kelaniya, Sri Lanka*, 1155-1169.
- Sishumba, J., Saidi, L., & Nyambe, M. (2022). A study into the effects of internal audit on the financial performance of commercial banks in Zambia: A case of standard chartered. *International Journal of Current Science Research and Review*, 5(11), 4156-4175.