

**DOES FINANCIAL EXPERTISE IMPLY MORE READABLE MANAGEMENT REPORT?**

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**INFORMACIÓN FINANCIERA Y NORMALIZACIÓN CONTABLE**

**Keywords:** Financial Expertise; Audit Committee; Board of Directors; Readability; Management Report; Accounting Expertise

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### **Abstract**

The purpose of this study is to analyze empirically the potential relationship between audit committee financial expertise and the readability of management reports. The dataset for directors' characteristics is hand-collected as are the management reports. The sample is composed of Spanish listed firms for the period 2013-2015. The results show a negative association between financial expertise, especially accounting financial expertise, and the readability of management reports. These findings contribute to the academic debate about the benefits from having financial experts in the audit committee. Our evidence will contribute to the debate regarding the role of financial experts in the disclosure process and will have implication for firms and regulators in the configuration of audit committees.

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