

Innovations

Corporate Governance and Audit Report Timeliness: Evidence from Nigeria

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Abstract: *This study examined corporate governance and audit report timeliness in Nigeria. The study aims to ascertain the effect of board independence, audit committee size, audit committee meetings, audit committee financial expertise, CEO duality and Non-Executive directors on the audit report timeliness of the non-financial companies quoted on the Nigeria Exchange Group. The study adopted an ex post facto research design, and data were sourced from annual reports of the selected non-financial companies. The purposive sampling technique was used to choose 51 companies from 2018 to 2022, and the data collected were analysed using the panel data regression model. The findings show that corporate governance indicators have not led to delays in the financial reporting of non-financial companies. In conclusion, the empirical findings provide that corporate governance practices have not led to delays in the audit report timeliness of the selected companies. Hence, regulators should ensure that companies comply with the minimum submission period to avoid companies taking advantage of the current three-month reporting period and giving rise to issues of information asymmetry.*

Keywords: *Corporate Governance, Audit Report Timeliness, Nigeria*

1.1 Introduction

An essential aspect of financial reporting is transparency. Companies must disclose anything that could affect an informed investor's investment decision. Securities exchanges require it. Governmental organisations require it. The Financial and International Accounting Standards Board is one accounting law-making organisation that requires it. It may apply to different facets of corporate governance and financial reporting or the degree to which a government's operations are transparent to a nation's economy. According to the Organisation for Economic Cooperation and Development (OECD, 1998), transparency is one of the components of effective corporate

governance. Kulzick (2004), Blanchet (2002), and Prickett (2002) view transparency from a user perspective. They contend that the eight ideas of correctness, consistency, appropriateness, completeness, clarity, timeliness, convenience, governance, and enforcement are all part of the concept of transparency.

Aspects of transparency that interest this study are timeliness and governance. In general, it is preferable to reveal information as quickly as possible. The timely delivery of annual reports, according to the IASB's conceptual framework for financial reporting, is viewed as mediating between the importance and reliability of annual reports (International Accounting Standards Board, 2016). According to Kenley and Staubus (1974), the timeliness with which financial information is reported has an inverse connection with the quality of the information. Timelines are essential as, according to studies, accounting information loses relevance with time (Atiase, Bamber, & Tse, 1989; Hendriksen, 1992; Lawrence and Glover, 1998). The information is outdated when made available to the public late, even though the statements may accurately depict the company's financial situation at a specific time. The ideal period between year-end and the release of the yearly financial statements is between one day and a year or two. The public must have access to the information before it becomes outdated. Companies must have enough time to compile the statements, and the independent auditor must have enough time to audit the reports when they are prepared.

One of the characteristics of strong corporate governance noted by the OECD and World Bank is the timeliness of financial reporting. The longer the time that elapses between year-end and disclosure, the more stale the information gets and the less value it has for shareholders and other stakeholders (Oyinlola, Folajin, & Olowe, 2020). Shareholders and other stakeholders need information that is still current. Timeliness reduces information asymmetry as timeliness can lead to the following: improving the pricing of securities, mitigating insider trading, leaks, and rumours in the market, and reducing the opportunity to spread rumours about the companies' financial health and performance. Timely financial reporting disclosure is essential because it improves investor equality by enabling them to acquire accounting information without looking elsewhere (Bamber, Bamber, & Schoderbek, 1993). Audit reports' timeliness significantly impacts the timeliness of financial reporting; thus, regulators and policymakers are increasingly looking into the potential issues that could affect audit report timeliness and how to enhance

the quality of financial statements. Effective corporate governance is one such way. Effective corporate governance systems, such as a strong board of directors and audit committees (AC), may enhance financial reporting quality. According to research by Abbott, Parker, and Peter (2004), the audit committee may considerably impact how accurately the financial reports are prepared since it may influence the auditor's risk evaluations. Fama and Jensen (1983), basing their argument on agency theory, also contend that a firm's internal governance significantly impacts how well its internal control system functions. This is not different from the context of Nigeria. The audit committee has a significant role in the timeliness of financial reporting.

Due to Nigerian corporate organisations' growing exposure to international capital markets and the adoption of International Financial Reporting Standards (IFRS), accurate and timely financial information has become crucial. Therefore, Business organisations must meet the information needs of local and foreign investors and give them more up-to-date information in annual financial reports on time. Regulating bodies and corporate laws in Nigeria have established statutory maximum time restrictions within which listed companies are required to publish audited financial statements to stakeholders in recognition of the value of timely disclosure of financial information (Iyoha, 2012).

Despite numerous laws, there have been many criticisms of perceived inadequacies in the financial reporting outcome of firms in Nigeria from different groups, including the World Bank (World Bank 2004). There has been considerable discussion in urbanised nations about the connection between corporate governance and fraudulent activity. In recent years, there has been an increased interest in studying corporate governance and timely financial reporting in developing countries (Dennis & Ogoun, 2018). Additionally, the financial scandals that caused significant corporations worldwide and Nigeria, in particular, to fail cast doubt on the effectiveness of the audit committee and other corporate governance systems and raised concerns about their capacity to prepare financial reports within the anticipated time frames.

Studies have been conducted in numerous nations on the timeliness of corporate audit reporting and audit delays. Most of these studies were conducted outside Nigeria. For instance, Bahrain (Abdulla, 1996), Canada (Newton & Ashton, 1988), France (Soltani, 2002), China (Wang & Song, 2006), Greece (Owusu-Ansah & Leventis, 2006), the UK (Abdelsalam & Street, 2007),

Europe, Kinney & McDaniel, 1993; Han & Wild, 1997; Krishnan, 2005 and the Far East (Conover, Miller, & Szakmary, 2008). However, much has not been done in Nigeria as regards the topic. The few studies carried out in this field were expected to yield favourable results, especially with the review of the Nigerian Code on Corporate Governance in 2018; however, the outcomes of these studies were contradictory. For instance, Fatai, Olubunmi, and Iyanu (2023), Imuetinyan, Sunday, and Idris (2022), Umar, Aliyu, and Ishaq (2020), Eze and Nkak (2020) and Emeh, Appah, and Isaac (2013) yielded contradictory results.

Timely financial reporting is vital for all countries, including developing countries. It is crucial for maintaining transparency, trust, and confidence in the capital markets (Robert Knechel et al., 2013). It helps to build trust and confidence in a company's management and financial reporting processes, ultimately leading to greater transparency and accountability. Therefore, this research is necessary for the following reasons: firstly, this research is essential to build stakeholders' confidence, especially considering the failures of some companies over time. Reporting on time will build stakeholder's confidence. Usually, a delay in reporting signifies bad news, while timely reporting signals good news, so reporting on time will build stakeholder's confidence and trust in the financial reports released. Secondly, the field has not received enough research evidence in Nigeria compared to the developed countries; thirdly, the few existing studies in Nigeria produced inconsistent results. This indicates that more investigation into this topic is required. To address this issue, the following hypotheses were formulated.

H0: board independence, audit committee size, and non-executive directors do not significantly affect the audit report timeliness of the companies quoted on the Nigeria Exchange Group

H0 audit committee meetings, CEO duality, and audit committee financial expertise have no significant impact on the reporting timeliness of the companies quoted on the Nigeria Exchange Group.

1.2 Past Studies

One of the essential elements of sound corporate governance is board independence. Non-executive directors' participation in the agency problem scenario assisted in monitoring and controlling management's self-serving interests (Jensen & Meckling, 1976). Stefanescu (2013) argues that board independence is a tool intended to support and address conflicts between

owners and managers due to the knowledge asymmetry that separates ownership from control. Having a significant number of non-executive directors on the board can aid in monitoring management actions, particularly regarding opportunistic conduct. Because they are less unified with management, non-executive outside directors may urge companies to reveal more meaningful information to a broader range of investors. This is because they are independent, not employees, and speak for many of the company's stakeholders and shareholders.

The empirical research on board independence and timeliness of financial reporting produced mixed results. The existence of an independent board and its qualifications should not be disregarded since it is in a better position to guarantee accurate reporting and presentation of financial statements so that shareholders can make wise judgments. Fatai, Olubunmi, and Iyanu (2023) used dynamic panel data analysis to investigate the effects of board size and independence on the timeliness of financial reporting in the Nigerian banking industry and found that the board's size and independence significantly impacted the timeliness of financial reports. In like manner, Imuetinyan, Sunday, and Idris (2022) also established a significant relationship between board independence and timely financial reporting in Nigerian firms. In contrast, the board size was insignificant and negatively related to the timeliness of financial reporting. Umar, Munir, Abdulrahman, and Yazid (2022) found a significant negative correlation between audit reporting lag and board size. Ashibuogwu's (2022) findings indicate that board size significantly impacts audit timeliness, whereas the board's independence had no noticeable effect.

Abdullah and Michiel (2022) researched the impact of corporate governance measures on audit report lag (ARL) in Kuwait. The relationship between ARL and corporate governance proxies by board size, frequency of meetings, financial expertise, non-executive directors, and institutional ownership was investigated using a multivariate regression model. According to the findings, businesses with boards that are highly knowledgeable in finance tend to have shorter audit delays. It was discovered that larger, more profitable companies released their audited financial reports more quickly.

In the Indonesian setting, Efrizal, Dovi, Sany, and Mutia (2021) looked at the beneficial association between the audit committee (AC) and the reporting quality, which was measured by the timeliness of the reports. The committee size, number of expertise size, and frequency of committee meetings indicate

the AC's efficacy. The results show that while meeting frequency substantially impacts the audit report timeliness, the AC's size and financial expertise do not significantly affect it. The findings show that member communication is a necessary condition for the efficiency of the AC. The AC's communication will be more successful the more often they get together. The results of this study also imply that the frequency of AC meetings is essential to guaranteeing its supervisory functions in businesses and prompt submission of audited financial statements.

Nahla, Abdulwahid, Hasnah, and Mazrah (2021) investigate the relationship between audit committee (AC) financial expertise and the timeliness of audit reports in Hodeidah, Yemen. Specifically, they focus on the impact of AC industry expertise on the timeliness of audit reports by providing support for AC financial expertise. The study found no correlation between AC's financial expertise and a shorter audit report delay. More importantly, it shows that when members have higher levels of industry experience than AC in finance, there is a noticeable improvement in audit timeliness and a decreased delay in reporting. This study also shows a strong correlation between reducing the audit report delay and AC members possessing financial and industry expertise. Financial expertise is linked to a shorter audit report delay in the industrial expertise subgroup. Overall, this study emphasises how valuable it is to combine financial and industrial expertise to increase audit committee efficacy regarding timely reporting. Asiriwa, Adeyemi, Uwuigbe, Ozordi, Erin, and Omoike (2021) investigate board characteristics and their effect on the timeliness of financial reporting. The empirical research included Board financial expertise to measure the timeliness of financial reporting and proxy for board characteristics. The result of the study revealed a positive correlation between board financial expertise and timely financial reporting.

The impact of corporate governance structures on audit report lag in Nigeria was examined by Umar, Aliyu, and Ishaq (2020). It explores how audit report lag affects audit committee independence, meetings, financial expertise, managerial ownership, and ownership concentration. It was discovered that audit committee meetings, financial expertise, and managerial ownership significantly influenced audit report lag. On the other hand, there was no discernible impact of audit committee independence on audit report delays. Eze & Nkak (2020) looked into the timeliness of audited reports and corporate governance of Nigerian traded companies. The findings suggest that, compared to its early filers, late filers are likely to have boards with much fewer independent non-executive directors and audit committee members

with financial expertise. The timely submission of audited reports by corporations is found to be highly impacted by the financial expertise of the audit committee and the presence of independent non-executive directors on the board. Kaaroud, Mohd Ariffin, and Ahmad's (2020) findings show that audit committee meetings and expertise significantly negatively affected ARL. The analysis did not discover any appreciable relationship between ARL and the size of the audit committee or board independence.

Finally, Raweh and Kamardin (2019) used data from 255 businesses listed in the Muscat Securities market from 2013 to 2017 to investigate and present empirical evidence on the relationship between audit committee features and audit report lag. According to multivariate analysis, audit report lag is positively correlated with audit committee size, and audit lag is decreased by audit committee financial expertise. The study, however, finds no proof that audit report lag is related to audit committee independence or meetings. Akhor and Oseghale (2017) examined the relationships between audit committee independence, meetings, gender, and audit report lag. The empirical results indicate that audit committee independence was positively and significantly correlated with financial reporting lag. In contrast, audit committee meetings and gender were positively correlated but not significantly correlated with financial reporting lag.

1. Methodology

An ex-post factor research design was used in the study. It makes extensive use of historical data. Data for the analysis were extracted from the annual financial statements of the chosen quoted non-financial firms from each sector of the Nigeria Exchange Group for a five (5) year period of 2018–2022. The population of this study is the one hundred and nine (109) companies quoted on the Nigeria Exchange Group during the study period. This study adopted non-probability sampling techniques to select 51 companies judgmentally from 2018, when the corporate governance was reviewed, to 2022. The selection was based on (i) the availability of their complete financial statements for the period studied and (ii) the fact that the content of the financial statement must contain in full the information needed for the study.

The independent variable is corporate governance. It includes eight categorical variables: board independence, audit committee size, audit committee meetings, audit committee financial expertise, firm performance, non-executive directors, CEO duality, and audit opinion; these measures are adopted and in line with past studies, Sherliza, and Siti (2015), and Darryl, and

Senny (2018). Audit Report Timeliness is the dependent variable. The model includes two control variables to investigate the relationship between the dependent and independent variables and lessen the bias caused by omitting prospective variables. With the help of literature, these control variables connected to the model were added to this research regression. The first is the firm's size (CSIZE), calculated using the natural log of all assets. The second factor is company age (AGE), the number of years the company has existed.

Model Specification

The dependent variable for the study is Audit Report Timeliness (ART), modelled as a function of the independent variable among a set of control variables adopted from the extant literature. The general estimation model utilised is as follows:

$$ART_{it} = \beta_0 + \beta_1 BOIND_{it} + \beta_2 ACS_{it} + \beta_3 ACM_{it} + \beta_4 ACFE_{it} + \beta_5 NED_{it} + \beta_6 CEOD_{it} + \dots CONTROLS_{it} + e_{it} \quad i$$

Specifically,

Hypothesis one is stated as follows;

$$ART_{it} = \beta_0 + \beta_1 BOIND_{it} + \beta_2 ACS_{it} + \beta_3 NED_{it} + \beta_4 CSZE_{it} + \beta_5 AGE_{it} + e_{it} \quad ii$$

Hypothesis two is stated as follows;

$$ART_{it} = \beta_0 + \beta_1 ACM_{it} + \beta_2 CEOD_{it} + \beta_3 ACFE_{it} + \beta_4 CSZE_{it} + \beta_5 AGE_{it} + e_{it} \quad iii$$

Where:

ART = Audit Report Timeliness

BOIND = Board Independence

ACS = Audit Committee Size

ACM = Audit Committee Meetings

ACFE = Audit Committee Financial Expertise

NED = Non-Executive Directors

CEOD = CEO Duality

CSZE = Company size –Transformed

AGE = Company age

β_0 = Intercept for x variable of i Company

$\beta_i - \beta_n$ = Coefficient of the independent variables x of companies

e_{it} = Error Term

The study used descriptive statistics, Correlation analysis as the pre-test, and the choice of the fixed effect or random effect model based on the outcome of the Hausmann test that will be conducted. Specifically, Panel regression analysis was applied to measure the degree of association between the variables under consideration. This is ideal as the study used a combination of cross-section and time series; analysing the data using panel regression analysis will be the best method because the panel regression properties are known to capture individual characteristics of the sampled population. The objective of the panel regression technique is to minimise the error term to find the model or regression equation that explains the data.

2. Data Analysis and Interpretation

Data presentation and analysis are integral to all academic studies, commercial, industrial, and marketing activities and professional practices. The presentation of data requires skills and understanding. It is necessary to use collected data from the audited financial statements of the fifty-one quoted companies to test the stated hypothesis.

Table 4: Descriptive statistics of variables for the period

	AR T	BOI ND	AC S	AC M	AC FE	NE D	CE OD	CSZ E	AG E
Mean	88.39	12.34	5.51	3.95	0.35	2.57	0.40	3.67	39.47
Maximum	217.00	75.00	8.00	8.00	0.75	5.00	1.00	8.79	78.00
Std. Dev.	26.82	14.99	0.77	1.06	0.15	0.59	0.49	3.784	15.29
Skewness	1.47	1.29	-0.58	-0.58	0.21	0.46	0.41	0.09	0.05
Kurtosis	6.53	4.70	4.02	6.60	1.99	4.34	1.17	1.08	2.17
Jarque-Bera	224.19	102.19	25.47	152.05	13.92	27.89	42.79	39.56	7.41
Observations	255	255	25	255	255	25	255	239	25

Measures of central tendencies and measures of dispersion are both measures of descriptive statistics. It displays the mean, standard deviation, skewness, and kurtosis.

The study's descriptive statistics result is shown in Table 4. It shows 255 observations in all data extracted from the annual reports of the companies used. Our result showed that BOIND, ACS, ACM, ACFE, NED and CEOD contributed 12.34, 5.51, 3.95, 0.35, 2.57 and 0.40 on average to the timeliness of the financial statement report for the period. BOIND contributed the highest (75.00) to the timely reporting of the sampled companies. The standard deviation shows a significant dispersion of the variables from the average mean. This outcome suggests that, on average, the corporate governance indicators have contributed to the timely reporting of the company's annual reports. All variables show a positive value for kurtosis. This shows the degree of departure from the mean. The variables also show a negative and positive value for skewness.

Table 5: Correlation Analysis

	ART	BOIND	ACS	ACM	ACFE	NED	CEOD	CSZE	AGE
ART	1								
BOIND	-0.1017	1							
ACS	0.0477	0.1023	1						
ACM	0.1465	-0.0486	0.1959	1					
ACFE	0.0426	-0.0799	-0.2132	-0.1120	1				
NED	0.0658	-0.0018	0.6053	0.1156	-0.0299	1			
CEOD	-0.0253	0.4732	-0.0225	0.0077	0.0407	-0.0096	1		
CSZE	-0.1288	0.7801	0.0407	0.1223	0.0014	-0.0019	0.5837	1	
AGE	-0.1083	-0.0435	0.0156	0.0375	0.1552	-0.0228	0.0386	0.0474	1

The Pearson correlation was used to determine the correlations among the variables used in the study. The correlation coefficients are used to determine

if there is any collinearity among the variables. The Pearson correlation results are shown in Table 5.

From the result, no high correlation was found among the variables. As a result, multicollinearity does not appear to threaten the interpretation of the regression coefficients of the independent variables in this model. The result shows all variables are positively and negatively far apart; this implies our variables are not correlated.

3. Panel Regression Analysis

Hausmann Test for Hypotheses One and Two

Decision Rule

H₀: The random effect model is appropriate

H₁: Fixed effect model is appropriate;

If the p-value of the test result, as presented in Table 6 below, is less than 5%, reject the null hypothesis; otherwise, accept the alternate hypothesis.

The Hausmann test was adopted to decide on the best-fit model for the test. The cross-section chi-square statistic with 5 degrees of freedom for hypotheses one and two are 3.397933 and 4.068861, and the p-values are 0.6389 and 0.5395, as presented in Table 6 below. The p-value of the Hausmann chi-square statistics is higher than 5%, so the null hypothesis is accepted for hypothesis one. In conclusion, the random effect technique is better than the fixed effect technique for hypotheses.

Table 6: Hausmann Test for Hypothesis One

Hypothesis One			
Test summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	3.397933	5	0.6389
Hypothesis Two			
Cross-section random	4.068861	5	0.5395

Table 7: Regression Result for Hypothesis One
Dependent Variable: Audit Report Timeliness (ART)

Hypothesis One				
Variables	Coefficient	Std Error	t-statistics	Pro.
BOIND	-0.143509	0.221832	-0.646924	0.5183
ACS	0.676507	2.777425	0.243574	0.8078
NED	1.427291	3.413479	0.418134	0.6762
CSZE	-0.379457	0.985097	-0.385198	0.7004
AGE	-0.140228	0.171475	-0.817773	0.4143
C	89.70368	14.94439	6.002497	0.0000
R ²	1.0%			
F- stat	0.69			
P-value	0.685528			
Durbin-Watson stat	2.06			

Source: E-view 13 Output, 2024

Table 7 displays the results of the hypothesis one. The coefficient values for the variables are both positive and negative, and the probabilities values in parenthesis are not significant:-0.143509 (0.5183),0.676507 (0.8078) and 1.427291 (0.6762), respectively. Board independence, audit committee size and the non-executive director have no significant effect on the audit report timeliness for the period.

Board independence is negatively signed and has an insignificant effect on audit report timeliness. On the other hand, audit committee size and non-executive director are positively signed and do not significantly affect audit report timeliness. The outcome supports the earlier stated hypothesis that these indicators do not significantly affect audit report timeliness. Our R² of

1.0% endorses this fact. This means the corporate governance indicators do not cause a delay in the reporting timeliness; other indicators in the selected companies can lead to delays in the reporting processes. By implication, the corporate governance indicators do not influence the audit report’s timeliness. However, the positive sign shows that these indicators may affect the reporting processes, but no significant effect was found in the current study.

The overall probability value of 0.685528 also buttresses the fact that these indicators do not significantly affect the audit report’s timeliness. Given the decision rules, the study accepts the null hypothesis. It reveals that corporate governance proxies by board independence, audit committee size and the non-executive director have no significant impact on the audit report timeliness of the selected non-financial firms in Nigeria for the period studied as the p-values are higher than the 5% significance level. This result supports the findings of Ashibuogwu (2022), Mailafia and Adamu (2021), and Asiriwuwa, Adeyemi, Uwuigbe, Ozordi, Erin, and Omoike (2021), who established a negligible effect of these indicators on the audit report timeliness.

Table 8: Regression Result for Hypothesis Two
Dependent Variable: Audit Report Timeliness (ART)

Hypothesis Two				
Variables	Coefficient	Std Error	t-statistics	Pro.
ACM	2.099263	1.824511	1.150589	0.2511
CEOD	2.303344	4.570130	0.504000	0.6147
ACFE	6.878145	11.14938	0.616908	0.5379
CSZE	-0.923269	0.761056	-1.213142	0.2263
AGE	-0.143082	0.166257	-0.860611	0.3903
C	85.78101	11.31675	7.580003	0.0000
R ²	2.0%			
F- stat	0.85			
P-value	0.517166			
Durbin-Watson stat	2.06			

Audit committee meetings, CEO duality and audit committee financial expertisedo not significantly impactthe reporting timeliness of the non-financial quoted companies on the Nigeria Exchange Group, as displayed in Table 8. The findings revealed that corporate governance proxied with

audit committee meetings, CEO duality, and audit committee financial expertise had an insignificant effect on audit report timeliness for the period studied. The three measures are positively signed and insignificant to audit report timeliness. The overall probability value of 0.517166 also buttresses the fact that these indicators do not significantly affect the audit report's timeliness. By implication, frequent meetings by the audit committee meetings, separating the director from the chief executive, and the presence of audit financial expertise on the board do not lead to delays in reporting. This reveals that there has been an improvement in reporting since the review in 2015. The outcome supports the earlier stated hypothesis that these indicators do not significantly affect audit report timeliness. The occurrence of the audit committee meetings, the separation of the leadership and the presence of the audit committee's financial expertise are immaterial to audit report timeliness. This result aligns with the findings of Efrizal, Dovi, Sany, and Mutia (2021), Kaaroud, Mohd Ariffin, and Ahmad (2020), Akinleye and Aduwo (2019), and Raweh and Kamardin (2019) who failed to establish a significant effect of these indicators on audit report timeliness.

On the contrary, the findings oppose the outcomes of Asiriwa, Adeyemi, Uwuigbe, Ozordi, Erin, and Omoike (2021), Eze & Nkak (2020), Abdullah & Mishiel (2022), Darryl and Senny (2018), Ahnaf (2018), and Rahimah (2017) and Umar, Aliyu, and Ishaq (2020), who establish a significant relationship between audit financial expertise and audit report timeliness.

4. Conclusion/Recommendation

This study provides recent empirical evidence relating to Nigerian non-financial listed companies' corporate governance and audit report timeliness as of 2024. The mean audit delay is 88 days. Though in Nigeria, the time expected for an audit firm to deliver its audit report varies based on different regulations and guidelines, the Securities and Exchange Commission (SEC) specifies that companies should provide their audited reports within 90 days as against the timeline of 180 days provisions allowed by the Companies and Allied Matter Act (CAMA), a period of six months for audit report delivery. The 88 days are below the maximum period of three months (90 days) as stipulated by the Securities and Exchange Commission (SEC).

Nevertheless, the results reveal that corporate governance does not significantly affect audit report timeliness; the corporate governance practices in the companies have not led to delays in publishing their financial statement. The descriptive statistics show that most companies listed in the

Nigeria Exchange Group comply with the regulatory requirements to submit their audited financial statements within 90 days of the close of the financial year. The result also revealed that some corporate governance indicators, audit committee size, audit committee meetings, committee financial expertise, non-executive directors, and CEO duality positively correlate with audit report timeliness. The study findings revealed that corporate governance practices in non-financial companies have not led to delays in the timely release of financial statements, and there has been an improvement in reporting after the review in 2015. This is supported by the mean audit delay of 88 days, which proves most companies' reports come out early enough, below the regulatory requirements of 90 days. One of the reasons for the timelines could be a result of good news on the performance of the selected companies, as companies with good news seem to publish their financial statement on time. This finding is consistent with the signalling theory, which indicates that companies with good news attempt to quickly publish their reports, compared with companies with bad news (e.g., loss) to deliver.

It is vital to identify the timeliness issues, as it was found that there are companies that exceeded the three months of audit report issuance, above the 90 days, as seen in our descriptive result in Table 4, where we have the shortest time to be 26 and a maximum of 217 days report timeline for late filers. However, this may be insignificant as the results revealed that most companies turned in their results early enough, but it can have implications for practice. On the whole, however, it was established in this study that not reporting on time is not an issue with the sampled companies as it was established that above 80 percent report their financial performance on time. Regulators should, therefore, ensure that companies comply with the minimum submission period to avoid companies taking advantage of the current three-month reporting period and giving rise to issues of information asymmetry.

5. **Practical Implication**

The findings suggest that audit committee effectiveness is a significant factor in ensuring timely submission of audited financial statements. Thus, companies perhaps can re-look into how to improve audit committee effectiveness further to enhance the timeliness of financial reporting as it is shown in our descriptive statistics result in Table 4 that there are a few companies, the late filers that did not meet up with the stipulated days for filing reports.

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