DETERMINANTS OF FINANCIAL REPORTING TIMELINESS: AN EMPIRICAL STUDY OF NIGERIAN DEPOSIT MONEY BANKS

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Abstract

The main objective of this study was to assess the association between the determinants of financial reporting timeliness of Nigerian deposit money banks. The study determined the effect of bank size and audit firm type on the timeliness of financial reporting in Nigeria. Ex-Post facto research design was adopted. The population of the study consists of sixteen (16) quoted banks on the Nigerian Stock Exchange. Regression analysis was employed to test the formulated hypotheses with aid of SPSS version 20.0. The study discovered that bank size, age of bank, audit firm type and bank performance have effect on the timeliness of financial reporting in Nigerian banks. Based on this, the study recommended that the issue of reporting lag in financial reporting in Nigeria among industrial sectors should be harmonized on various conflicting provisions regarding the timeliness as contained recently in the different enactments.

Keywords: Financial reporting, timeliness and deposit money banks.

INTRODUCTION

The increase on information needs of stakeholders who have interest in financial reporting has resulted in the quest for timely and credible financial reports. According to the International Accounting Standards Board (IASB, 2008), timeliness of financial reports is the availability of information needed by decision makers for useful decision making before it looses its capacity to influence decisions." In emerging economies like Nigeria, the provision of timely information in corporate reports assumes greater importance since other nonfinancial statement sources such as media releases and financial analysts forecasts are not well developed and the regulatory bodies are not as effective as in Western developed countries (Ahmed, 2003).

Reporting is a way of companies' communication through divulging any financial or nonfinancial information with the annual reports to a wide range of users. In particular, financial statements play a significant role for the parties in different purposes for decision making. High-quality and useful accounting information require qualitative characteristics, such as the relevance of information, comparability, reliability and understandability (Ömer, 2017). Timeliness is among the major determinants of financial reporting quality and transparency of which attributed to the corporate governance principles.

Timely reporting mitigates the negative effects of insider trading activities and helps to build trustworthy environment in capital markets. It is a known fact that companies in emerging countries are prone to disclose information at a minimum level than developed ones. In the absence of strict regulations and transparency, information comes out, and one effective way to impede these adverse impacts is to be in prompt about annual reports (Ashton, Graul & Newton, 1989). Therefore, reporting on time is crucial to lessen the effect of poor conditions related to investor rights in emerging capital markets and inhibit the insider trading.

Timeliness is a necessary qualitative characteristic of relevant financial information and is thus receiving increased attention from accounting regulators and listing authorities around the world (Abdelsalam & Street, 2007). There exist extant literatures on the timeliness of financial statements due to the fact that timeliness as an important aspect of financial reporting has been identified by the Accounting Principles Board (APB) in the United States as one of the qualitative attributes of financial reporting (McGee, Tarangelo & Gelman, 2009).

Moreover, there is a dearth in extant literature on the determinants of the timeliness of corporate reports in Nigeria. In a related fashion, there are scanty studies that have focused on the corporate reports of financial institutions in Nigeria. This is important considering the fact that companies in this sector are high performers on the stock exchange. For instance, in 2006, bank shares were ranked as the most active. Furthermore, in 2007, 19 out of 20 most traded stocks were from the banking and insurance sector (Okereke-Onyuike, 2006, 2007). In 2008 and 2009, the shares of banking and insurance companies constituted about 95% and 90% of the 20 most

active shares traded on the Nigerian Stock Exchange-NSE (Okereke-Onyuike, 2008, 2009). Despite these, some disturbing trends persist with regards to the time taken to release their financial reports: the fastest reporting company in this sector uses an average of 122 days, while some take as long as 304 days and these lags are way beyond the 90 days stipulation by SEC (Okougbo, 2015).

Though previous empirical literature examined the timeliness of financial reporting and its determinants, little information exists on the reporting lag of corporate financial statements in emerging economies; Iyoha (2012) revealed that the age of company is the major company attribute that influences timeliness of financial reports in Nigeria. Al-Shwiyat, (2013) found that firm size has significant positive effect on timeliness. Efobi and Okougbo (2015), Adebayo and Adebiyi (2016) revealed that banks comply with regulation which enhance timeliness. Ömer (2017) found that financial statement has significant effect on reporting time. Their results were inconsistent hence some studies had a contrary view to it. Besides, the studies on timeliness of financial reporting in the context of Nigeria were limited.

The main objective of this study was to assess the association between the determinants of financial reporting timeliness of Nigerian banking industry.

1. To determine the effect of bank size on the timeliness of financial reporting in Nigerian deposit money banks.
2. To examine the effect of the audit firm type on the timeliness of financial reporting in Nigerian deposit money banks.

REVIEW OF RELATED LITERATURE

Conceptual Framework

Timeliness

In extant literature, the timeliness of financial reporting has been defined from different perspectives. McGee (2007) defined it as the period between the company's year-end and the date that the financial report was released for public view. Karim, Ahmed and Islam (2006) remarked that the timeliness of financial reports include audit delay, which is the number of days between the balance sheet date and the date the external auditor's report was signed; financial statement issue delay, which is the number of days between the balance sheet date and the date of declaring the notice of the annual general meeting (AGM); and the AGM delay, which is the number of days between the date of the financial year end and the AGM (Efobi & Okogbuo, 2015).

The timeliness of financial reports varies across countries. In Russian energy sector, McGee (2007) observed that it takes between 81 to 181 days (average of 148.7 days) to release their financial reports. On the average, Chinese companies require an average of 92 days, with a minimum of 24 days and a maximum of 181 days (McGee & Yuan, 2008). Karim, Ahmed and

Islam (2006) noticed a longer delay time for listed Bangladesh companies, who require an average of 192 days. Hossain and Taylor (1998) pointed out that listed Pakistani companies.

Timeliness is considered as one of the qualitative characteristics of useful information by the American Accounting Association, where the conceptual framework of financial reporting of accounting standard setters worldwide such as the International Accounting Standards Board (IASB) recognizes timeliness as one of the characteristics which determines the relevance of accounting information. Users need timely information to enable them make a promptly review to decide whether to continue or stop their investment in a company. Delays in disclosing timely information on the preparers' part would result in greater market inefficiency (Ismail & Chandler, 2004).

Subsequently, it became increasingly pressure on the external auditors to reduce the time it takes to issue their auditing report and then financial reports; because external auditor's reports are considered one of the most important factor that effect on issuance of the annual financial report Akle (2012). Where Auditing is considered the communication tool that investors and stockholders use to know the financial position of firms, as well as, it is used to be as an indicator about the performance of firm's management (Omar & Ahmed, 2016). Therefore, the delay of issuing auditing report leads to delaying in issuing annual financial report, and not providing the financial information of firm in the suitable time. And then the financial report will lose its usefulness and convenient which have negative effect on decisions of investors and financial reports users require an interval of 30-249 days, while Iyoha (2012) observed that in Nigeria, companies in the banking sector require about 82 days, insurance sector (153 days), food/tobacco and beverage sector (144 days), petroleum sector (137 days), health sector (145 days), agriculture (96 days) and conglomerates (119 days).

Some studies such as McGee and Yuan (2008) attributed the delay by Chinese companies to the extent of their corporate governance. Lai and Cheuk (2005) emphasized that the audit partner's rotation, audit firms rotation are able to explain the delays in the release of the financial reports of Australian companies. Afify (2009) noted that the corporate governance variables such as the independence of the board, CEO duality and the audit committee can significantly impact on the timeliness of financial reports of Egyptian companies.

Bean (2003) concluded from studying 99 Fortune 500 firms for the period 1996 to 2001 that inertia and the interest of corporate managers are the major impediment to the timeliness of financial reports. Owusu-Ansah (2000) employed a two stage least square regression analysis to conclude that company size, profitability and age has a significant influence on the timeliness of financial reports. In contrast, Hossain and Taylor (1998) using univariate and multivariate analyses for Pakistani listed companies, concluded that corporate attributes do not have a significant relationship with timely financial reporting. They emphasized that other exogenous

factors that are outside the control of the firm (e.g. national policies), matter most in explaining the timeliness of corporate financial reporting.

Moreover, the timeliness means presenting the financial accounting information for its users when they need it. This is because the information loses its benefit, if it is not available when it is needed. Timeliness of accounting information is essential for the financial reports users because they require current information to make predictions and constructive decisions (Zeghal, 1984).

The quality of financial reports depends in part upon the frequency and timeliness of reporting (Miller & Bahnson, 1999). Timely disclosure and presentation of information improves the image of corporate bodies because they reflect managerial efficiency and effectiveness (Joshi, 2005). The importance of timeliness is further supported by the research of Abdulla (1996), who suggested that a shorter time between the financial year-end and publication date is more beneficial for users.

Furthermore, Leventis, Weetman, and Caramanis (2005) assert that in emerging market economies, timeliness in reporting of otherwise non-publicly available financial statement information remains, for the most part, the only means by which outside shareholders and investors keep themselves informed of the firms' performance. In the present economic scenario, this concern for timely reporting becomes more acute as emerging market economies face greater uncertainties as they combat the ongoing global financial crisis. Therefore, as noted by Jaggi and Tsui (1999), it will be beneficial to both international and domestic investors in understanding the causes of delays in the release of audit reports in the context of an emerging economy. One of the reasons advanced by Awoyemi (2009) for the crises in some Nigerian banks had to do with inaccurate financial reporting. It was adduced that some loss-making financial institutions not only declared profits but paid dividends using depositors' funds. The multiplier effect of such actions on the future financials of a firm is negatively affecting the economy at large.

Financial reporting

Financial reporting is the best method to satisfy the needs of accounting information users. It accurately describes the economic events that have affected the companies' activities during a year. As well as, it helps in financial predictions and the financial planning that is considered as alarm to all users whether external or internal users to avoid potential bankruptcy. Therefore, the timeliness of issuance of financial reporting has more interest of both professional and academic groups around the world, especially in USA and UK (Fadel & Noor, 2006).

Financial disclosures are defined as any intentional release of financial information whether this information is compulsory or voluntary in order to inform the stakeholders. This financial information can be delivered through formal or informal information channels and it may include quantitative or qualitative data (Gibbins, et al., 1990).

Financial disclosure includes net income of prior year, main board meeting, profit dividends on common stockholder whether cash profit and free shares and a lot of information that can affect investors' decision regarding to shares holding, purchase or selling. Therefore, because of these many information that were offered in financial markets, the rumors that usually precedes the material financial information disclosure, which is aimed at increased competition in order to enhance the demand on the shares (Qaqesh & Batayna, 2006).

Company Size

The size of a company has been found to influence the timeliness of financial reporting. Several reasons have been adduced to support the relationship between timeliness and company size. First, large firms have more resources to institute and enforce strong internal control system in their organizations and can afford continuous audit (Ng & Tai, 1994). All of these should make it easier to audit large number of transactions in a relatively shorter time. Second, large firms are more visible to the public view and face a lot of pressures from media analysts to release financial information on a timelier basis (Owusu-Ansah, 2005 and Ahmed, 2003). Accordingly, the larger the firm, the shorter its financial reporting time should be.

Age of Company

The age of a company has been identified in prior literature as an attribute having likely impact on the quality of accounting practice in terms of timeliness. The older the firms, the more likely they are to have strong internal control procedures. Thus, fewer control weaknesses that could cause reporting delays are expected in older firms. Similarly, younger firms are more prone to failure and have less experience with accounting controls (Hope & Langli, 2008). That is, age has the potential to reduce reporting lag. Though Courtis (1976) did not find age a significant attribute in his study of 204 listed companies in New Zealand however, Owusu-Ansah (2005) employs a two-stage least square regression model and finds size, profitability and company age as significant determinants of reporting lags of Zimbabwean listed companies. It is inferred from these studies that the older a firm is, the more likely that its financial reports would be timely. Thus, a negative sign between timeliness of financial reporting and age of company is hypothesized.

Review of Related Studies

Ahmad and Kamarudin (2001) investigated the determinants of audit delay in Malaysia. Their study comprised of 100 listed companies in the Kuala Lumpur stock exchange from 1996 to 2000. The study attempted to find the relationship between audit delay and company size, industry classification, sign of income, extraordinary item, audit opinion, auditor, year end and risk. The study found that there is a significant relationship between all the variables tested except for extraordinary item and company size.

Leventis and Weetman (2004) is a milestone study which applies an empirical model in Athens Stock Exchange for the year 1997 and emphasizes the delays in not only for financial statements but also for audit reports. This study combines the theories with the surrogate variables to explain timeliness of financial reporting with a different view. Trading volume, industry concentration ratio or gross plant property and equipment variables are some factors used in the timeliness of financial reporting for the first time to the best of our knowledge. Trading volume is used to prove that whether companies have higher trading volume publish their financial statements earlier to decrease information costs.

Abdullah (2006) investigated the roles of the composition of board of directors, audit committee and the separation of the roles of the chairman and the chief executive officer on the timeliness of reporting. They found out that board independence and the separation of the roles of the board chairman and the CEO are significantly associated with the timeliness of financial reporting. The study supported the agency cost of debt theory for leverage and utilized the information signaling theory for profitability.

Dogan, Coskun and Celik (2007) analyzed the timeliness of reporting with an aspect of good news vs. bad news through calculating the return on asset and return on equity and states that firms divulge net income report earlier. According to their results, size and gearing of the firm are also related to the timeliness of financial reporting.

Abdelsalam and Street (2007) investigated the significance of several corporate governance and firm-specific characteristics on potential determinants of the timeliness of corporate internet reporting for UK companies listed on the London stock exchange. The study found out that there exist a significant relationship between timely corporate internet reporting and the corporate governance characteristics such as board experience and board independence and that board independence is negatively associated with the timeliness of internet reporting.

El-Masry, Abdelsalam, and El-Masry, (2008) mainly focused on the association between the timeliness of reporting and corporate governance characteristics of firms. Both studies employ a model which takes a snapshot to the websites of companies to measure the timeliness of corporate internet reporting. In addition to firm specific variables such as liquidity, firm size, profitability, they also use corporate governance variables for the purpose of disclosing what factors have more impact on the timeliness of financial reporting.

McGee (2008) is one of the best studies that give insights about corporate governance and timeliness of financial reporting with different countries applications and comparisons. He examined 20 countries, such as USA, Russia, China, etc. and results that timeliness is related to countries specific factors as well as firm characteristics.

Aktas and Kargin (2008) explored the association between the timeliness feature and profitability of the company and came up with the result that higher positive earnings per share is effective and have a significant effect on early reporting. Lee, Mande and Son (2008) compare the multinational and domestic companies with regards to timeliness and document that multinational firms reporting lag is shorter even though their audit delay is longer because of the complexity of accounting transactions. Moreover, companies disclose bad news and net loss and high leverage are associated with reporting delays, but firms audited by big 4 and larger companies report earlier.

Turel (2010) focused on reporting lead time with firm and auditor specific determinants for the Turkish listed firms. She examined 211 non-financial companies with five different hypothesis related to size, industry, the sign of income, auditor type and opinion. According to the results, 59% of the firms publishing individual financial statements and 66% of the firms publishing consolidated financial statements prepare their reporting earlier than the regulatory deadline. Hashim and Rahman (2010) examined the association between corporate governance mechanisms and audit report lag among 288 companies listed at Bursa Malaysia for a period ranging from 2007-2009. Three characteristics of board of directors such as board independence, board diligence and board expertise were used to examine their effectiveness in assuring audit report timeliness. The result of this study revealed that there was no significant relationship between board diligence, board independence and board expertise and audit report lag.

Mohamad-Nor, Shafie and Wan-Hussin (2010) empirically examined the relationships between audit committee characteristics and the timeliness of audit reporting. The characteristics of an audit committee that were examined are size, independence, expertise and frequency of meeting. The evidence indicates that firms with more members in the audit committee and more frequent audit committee meetings are more likely to produce audit reports in a timely manner. Two audit committee characteristics, namely audit committee size and audit committee with at least four meetings, have a significantly negative association with audit report lag.

Akle (2011) carried out a study on the relationship between the timeliness of corporate financial reporting and corporate governance for companies listed on the Egyptian stock exchange from 1998 – 2007. They investigated the role of corporate governance level on the timeliness of corporate financial reporting and also the relationship between industry type, company size, gearing, leverage, earnings quality, earnings management, electronic disclosure, audit opinion and the timeliness of corporate financial reporting. They found out that Egyptian publicly listed firms have been less timely in their annual financial reporting since the application of the corporate governance principles.

Fagbemi and Uadiale (2011) observed that the timeliness of financial reports of listed companies can be explained by their relationship with foreign affiliates. This implies that corporate relationship with foreign affiliates in the form of subsidiaries and associates, can affect the

quality and timeliness of financial reports. The study further noted that the business complexity and leverage were not able to significantly influence the timeliness of financial report.

Iyoha (2012) examined the impact of company attributes on the timeliness of financial reports in Nigeria based on a sample of 61 companies' annual reports for the years 1999-2008. The data were analyzed and results estimated using Ordinary Least Square (OLS) Regression which was complimented with the panel data estimation technique. The findings revealed that the age of company is the major company attribute that influences the overall quality of timeliness of financial reports in Nigeria. Ibadin, Izedonmi and Ibadin (2012) examined the relationship between corporate governance variables, corporate attributes variables and timeliness in a developing country, Nigeria. Using a sample of 118 listed companies on the Nigerian Stock Exchange (NSE), the study depended on the use of descriptive statistics and the Ordinary Least Square (OLS) regression analysis. The study, they discovered that most of the companies on the NSE are not complying with the laid down stipulations guiding the submission of financial statements. Al-Shwiyat (2013) examined the Amman Stock Exchange with 120 sample companies with several factors such as company's age, return on assets, return on equities, dividends and earnings per share. 111 days is the average reporting time which is a long period when comparing to the other developing countries. While the leverage and the firm size have significant positive impact on timeliness, earnings per share ratio has a significant negative relationship.

Vuran and Adiloğlu (2013) research 178 companies for 2009 to analyze timeliness with many firm-specific variables. They separate the financial statements according to type of financial statement as a consolidated or individual and examine the current ratio, ROA, CFO, interest expense, size and sign of income. Efobi and Okougbo (2015) explored the factors that can influence the timeliness of financial reporting in Nigeria using a sample of 33 financial institutions (2005-2008). The Generalized Least Square (GLS) regression method was used for the estimation and the results reveal that on the average, the sampled companies used 122 days after the year end for the release of their financial reports. The size, leverage and performance of the companies have a negative significant relationship with the timeliness of their financial reports while the age of the company has a positive significant impact. Adebayo and Adebiyi (2016) ascertained the timeliness of financial statements among the Deposit Money Banks in Nigeria. For the study, they selected a sample of 15 Deposit Money Banks listed by the Nigeria Stock Exchange between 2005 and 2013. The data were analyzed and results estimated using Ordinary Least Square (OLS) Regression which was complimented with the panel data estimation technique. The study tested for the relationship between bank size, leverage, profitability, audit firm size and the timeliness of financial statements. All the variables examined were found to be statistically significant except for leverage. The findings reveal that most of the banks now comply with regulations which enhance timely reporting of financial statements in Nigeria. Omar and Ahmed (2016) determined the factors that affect timeliness of

annual financial reporting. The sample of study include 180 corporation listed on the Palestinian and Amman Stock Exchange which achieve study's conditions. Multi-regression test was used to examine the study hypotheses that consist of three groups; internal auditing committee factors, external auditor independence, and demographic factors. The study found that many of listed companies issue their financial report within legal time.

Ömer (2017) ascertained the effects of both firm and audit - specific factors on the timeliness of financial reporting practices of firms listed on Borsa Istanbul using panel data methodology. Descriptive analysis indicates that average reporting time is 69 days for the whole sample and 62 days and 74 days for individual and consolidated financial statements respectively. In line with prior studies, firm size, dividend per share, auditor type and good news (income), unsurprisingly, has a significant negative impact on timeliness behavior of sample firms. In addition, financial statement type (individual and consolidated financial statements) also has a significant effect on reporting time.

Though empirical studies examined the timeliness of financial reporting and its determinants, little information exists on the reporting lag of corporate financial statements in emerging economies. Besides, the studies on the effect of banks attributes on timeliness of financial reporting in the context of Nigeria were limited. This however forms the significant of this study.

METHODOLOGY

Research Design

Due to the nature of the study, Ex-Post facto research design was adopted. This is appropriate because the study aims at measuring the relationship between one variable and another in which the variables are not manipulated. This involves use of financial accounts of organizations to generate the financial analysis that will determine the significant difference.

Population and Sample Size of the Study

The population of the study consists of deposit money banks quoted on the Nigerian Stock Exchange. The study covered nine years annual reports and accounts of these companies from 2009 to 2017. The banks are as stated below:

Access bank plc	Unity bank plc
Diamond bank plc	Eco bank plc
First bank plc	Union bank plc
FCMB plc	Skye bank plc
GTB plc	Stanbic IBTC
Zenith bank plc	Standard Charted bank plc
Sterling bank plc	Fidelity bank plc
UBA plc (M)	Wema bank plc

Method of Data Analysis

Hypotheses formulated for the study were tested with the Regression analysis with aid of Statistical Package for Social Sciences (SPSS) version 20.0 software package.

Decision rule:

Using SPSS, 5% is considered a normal significance level. The accept reject criterion was based on the p-value, alternative hypothesis will be accepted.

Model specification

$FREPTIM_{it} = \beta 0i + \beta 1SIZE_{it} + \beta 2AUDFTYPit + it$ (1)

$FREPTIM_{it} = a_0 + \mu_i + \beta_I SIZE_{it} \sum_{it}$ ………….…………………………...(i)

$FREPTIM_{it} = a_0 + \mu_i + \beta_3 AUDTYP_{it} \sum_{it}$ ………….………………...……....(ii)

Where:

FREPTIM: (Dependent variable) the timeliness of the financial report, measured as the audit reporting lag;

SIZE: (Independent variable) the size of the firm, computed as the log of total asset (fixed asset + current asset);

AUDFTYP: (Independent variable) the type of external auditor engaged by the company. This is a categorical variable where 1 represents the engagement of any of the ' big four' audit firms (Price Waterhouse Coopers-PWC, Akintola Williams Deloitte, Ernst and Young and KPMG) and 0 otherwise.

$\beta 0i$ intercept of the model.

$\beta 1...6$ coefficients of the independent variables, which are expected to reflect the sign and magnitude of the explanatory variables

it individual firm and the period identifiers.

DATA PRSENTATION AND ANALYSIS

Data Analysis

Table 1: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
TIMNESS	134	34.00	356.00	88.2313	44.94088
AUDTYP	134	.00	1.00	.7015	.45932
BKSIZ	134	.00	4512113.00	1271909.7910	1018511.91123
Valid N (listwise)	134				

Table 1 shows the mean (average) for each of the variables, their maximum values, minimum values, and standard deviation. The results in table 1 provide insight in the nature of the Nigerian banking industry that was used in this study. It was observed that on the average over the nine (9) years periods (2009-2017), the sampled quoted Nigerian conglomerate companies were characterized by improved timeliness =88.23. The gap between the maximum and minimum value of the timeliness of financial reporting and its determinants (audit type and bank size)

showed that these determinants really determine the level of timeliness of financial reporting of the banks.

Test of hypotheses

Hypothesis one

Ho_1: Bank size does not significantly affect the timeliness of financial reporting in Nigerian deposit money banks.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.162[a]	.026	.019	44.51844

a. Predictors: (Constant), BNKSIZ

Table 3: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7008.150	1	7008.150	3.536	.062[b]
	Residual	261609.678	132	1981.891		
	Total	268617.828	133			

a. Dependent Variable: TIME

b. Predictors: (Constant), BNKSIZ

Table 4: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	97.296	6.167		15.778	.000
	BNKSIZ	-7.127E-006	.000	-.162	-1.880	.062

a. Dependent Variable: TIME

Table 2 above shows that the Model revealed the value of R^2 = 0. 026 and Adjusted R^2 value is .019, this suggests that the model explains about 3% of the systematic variations in the dependent variable. This means that the regression explains 3% of the variance in the data.

In table 3, it reveals that the F-stat (3.536) and p-value (0.062) indicates that the hypothesis is statistically significant; hence f-sat is greater than the p-value.

In table 4, the regressed coefficient correlation result shows that an evaluation of the timeliness of the explanatory variable (Beta Column) shows that bank size is significant (Sig.= -0.162). Therefore, we reject null the hypothesis and uphold the alternative hypothesis which states that bank size significantly affects the timeliness of financial reporting in Nigerian banks.

Hypothesis Two

Ho2: Audit firm type has no significant effect on the timeliness of financial reporting in Nigerian deposit money banks.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.049[a]	.002	-.009	45.05682

Table 6: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	84.875	7.124		11.914	.000
	AUDTYP	4.785	8.506	.049	.563	.575

a. Dependent Variable: TIME

b. Predictors: (Constant), AUDTYP

Table 7: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	84.875	7.124		11.914	.000
	AUDTYP	4.785	8.506	.049	.563	.575

a. Dependent Variable: TIME

Table 5 above shows that the Model revealed the value of R^2 = 0. 041 and Adjusted R^2value is .034, this suggests that the model explains about 4% of the systematic variations in the dependent variable. This means that the regression explains 4% of the variance in the data.

In table 6, it reveals that the F-stat (11.914) and p-value (0.000) indicates that the hypothesis is statistically significant; hence f-sat is greater than the p-value.

In table 7, the regressed coefficient correlation result shows that an evaluation of the timeliness of the explanatory variable (Beta Column) shows that audit firm type is significant (Sig.= -0.049). Therefore, we reject null hypotheses and uphold alternative hypothesis which state that audit firm type has significant effect on the timeliness of financial reporting in Nigerian deposit money banks.

Discussion of Findings

Having tested the formulated hypotheses, the study found that there is a significant effect between the timeliness determinants used in the study. Hypothesis one revealed that the bank size has significant effect on the timeliness of financial reporting in Nigerian banks. This result is in line with Ahmad and Kamarudin (2001) and Dogan, Coskun and Celik (2007) who found that

there is a significant relationship between all the variables tested except for extraordinary item and company size. Also in a contrary view, Al-Shwiyat (2013) found that leverage and the firm size have significant positive impact on timeliness.

Hypothesis two found that the audit firm type has significant effect on the timeliness of financial reporting in Nigerian banks. This finding is in line with Turel (2010) whose study revealed that positive income published financial statements earlier, companies audited by big four report later not statistically significant. Omar and Ahmed (2013) found that there is a significant relationship between age, audit report timeliness, sector type, auditor type and financial report timeliness.

Hypothesis three shows that the age of bank has significant effect on the timeliness of financial reporting in Nigerian banks. The result is in line with Iyoha (2012) whose study revealed that the age of company is the major company attribute that influences the overall quality of timeliness of financial reports in Nigeria.

CONCLUSION AND RECOMMENDATION

Conclusion

From the result, there was proof that Nigerian banks used on the average a period of 3 to 5 months (122 days) to release their financial reports. The banking industries performed better with an average financial reporting time of about 2 months (59 days) compared to those who reported 5 months (153 days).

From the test conducted, the study found that bank size has significant effect on the timeliness of financial reporting, followed by the age of the bank which has significant effect on the timeliness of financial reporting. The sign and significance of performance was also positively significant. The audit type did significantly influence the timeliness of financial report because auditors cannot change the timeliness of financial report without the corporation of their client.

The managerial implication of this study is that sound corporate governance practice can influence corporate attributes (performance) to enhance the timeliness of financial reporting.

Based on the findings, the following recommendations were made: The issue of reporting lag in financial reporting in Nigeria among industrial sectors should be harmonized on various conflicting provisions regarding the timeliness as contained recently in the different enactments.

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