

Impact of Corporate Characteristics in Mitigating Financial Reporting Delays in Nigerian Listed Companies

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Abstract

The purpose of this study is to investigate the impact between corporate characteristics in mitigating financial delays reports in Nigeria listed companies. This study states the relationship between corporate size, institutional ownership, board financial expertise and timeliness of financial reports with Return on Assets as a control variable. The population of the study is listed companies in Nigeria Exchange Group (NGX) which was 162 as at 31st of December 2020. The study employed ex post facto research design, and used secondary data extracted from the annual reports of 10 non-financial firms listed on the NGX covering the period of 12 years from 2012 to 2023. Sectors in the manufacturing, oil and gas, food and beverages were used as the sample size. Panel data regression techniques were used in the data analysis. The result revealed that company size, board financial competence has effect on timeliness of financial reports, but there is no significant effect between institutional ownership and the timeliness of financial reporting. The study recommends the board composition should have more professionals with competence and experience in accounting; smaller firms should improve on their internal economies and accounting activities as this would facilitate the swift availability of information.

Keywords: Board Financial Expertise; Corporate Size; Financial Reporting Timeliness, Institutional Ownership and Return on Assets

1. Introduction

Time is of essence when it comes to financial information because it relates to informed decision making by users of financial information such as investors, shareholders, government, tax authorities, etc. Financial reporting is the transparent disclosure of a company's financial or non-financial data from its annual activities to various users. Timeliness is a crucial qualitative characteristic that improves the usefulness of financial statements. Timeliness in financial reporting is crucial for effective decision-making by external stakeholders, as delays can impede their ability to allocate resources efficiently in capital markets, potentially leading to irrational decisions. The capital market in Nigeria is currently experiencing significant growth, leading to intensified competition within the business landscape. Therefore, this information needs, and business decisions of both local and international investors must be met by timely financial reports published by listed companies in Nigeria. Prompt reporting mitigates the adverse consequences of insider trading and fosters a reliable environment in financial markets (Oraka, Okoye, & Ezejiofor, 2019). Additionally, it sends a favorable message to decision-makers and investors regarding a company's performance and profits (Zandi & Abdullah, 2019). The growing need for prompt financial information is a result of past accounting scandals (Mbobu & Umoren, 2016) and the adherence to International Financial Reporting Standards (IFRS) by organizations worldwide (Abdullahi & Abubakar, 2020; Eze & Nkak, 2020). Past occurrences of accounting scandals have had an adverse impact on investors' trust in the effectiveness of the capital market, resulting in reduced investment. Considering this, global capital markets have taken steps to change this perception by establishing regulations and timelines for companies to adhere to when releasing audited financial accounts.

NGX has instituted regulations requiring trading members to submit audited year-end reports within ninety (90) days after the fiscal year's end (Eze & Nkak, 2020), this means that audited financial statements must be published within three months. Compliance with the rule, according to the NGX, promotes transparency, helps orderliness in the market and ultimately helps investors in making informed decisions regarding the companies' securities. Listed companies have recurrently delayed the publication of their financial statements within the required timeframe as shown below:

In 2018, NGX penalized thirty-one quoted companies for failing to meet the deadline for submitting their audited financial reports for the year ending December 31, 2017. This number increased to thirty-eight firms in 2018, Six listed companies were prohibited from trading due to their failure to submit their audited financial statements for the fiscal year ending December 31, 2019. a total of 44 companies listed on the NGX were penalized by the Exchange for not meeting the deadline to submit their audited financial results in 2020, Fifteen companies failed to fulfill the post-listing requirement of the Nigerian Exchange Limited (NGX) by not

submitting their financial statements for the year 2021 and finally, (NGX) imposed fines totaling N34.72 million on 18 listed companies due to their delayed submission of financial statements for the full year ended December 31, 2022. The financial consequences mentioned above are closely linked to the uncertainty felt by stakeholders. This uncertainty often leads to public speculation regarding potential negative news within the affected companies, which in turn raises doubts about the accuracy and significance of the financial information provided by these companies. Based on the reviewed literatures and to the best of the researchers' knowledge, many studies have been conducted on corporate governance mechanisms on financial reporting timeliness with limited research on the effect of corporate characteristics and financial reporting timeliness of listed firms in Nigeria (Akhalumeh et al 2017; Echekoba et al.,2019; Siyanbola et al 2020, Idris, M. et al 2023). Furthermore, the majority of conducted studies have primarily concentrated on financial sectors of the quoted firms other than the non-financial sector in Nigeria. For instance, Siyanbola et al. (2020) explored the impact of firm attributes on audit reporting lag among listed Deposit Money Banks in Nigeria, Samson Adediran (2019) investigates the effect of firm characteristics on timeliness of financial reports on Nigerian insurance companies from 2008-2017 while Oraka Azubuike et al. (2019) determined the effect of bank size and audit firm type on the timeliness of financial reporting in Nigeria with limited research addressing the non-financial sector in Nigeria. The author hereby aims to expand upon existing research by conducting an analysis of other corporate characteristics influencing the timeliness of financial reports in the non-financial sectors of the listed companies in NGX. Through this extended research, she seeks to propose strategies for enhancing the timeliness of financial reporting among listed businesses on the NGX. The specific objective of the study is to determine the extent to which the corporate characteristics such as company size, institutional ownership, and board financial competence affect the reduction of financial reporting delays in Nigerian listed businesses with focus on non-financial sector. The study also hypothesized that each of the independent variables does not have significant effect on the dependent variable.

2. Literature Review

2.1 Conceptual Review

2.1.1 Concept of Corporate Characteristics

Corporate characteristics are among the contributing factors in the studies of financial reporting timeliness. Previous research has investigated the correlation between the timeliness of financial reporting and several corporate attributes. According to Kogan and Tian (2012), corporate characteristics encompass various attributes that are closely associated with a company. These attributes include ownership structure, board characteristics, firm age, dividend pay-out, profitability, leverage, liquidity, committee size, ownership, board size, board expertise, board composition, and access to capital markets and growth opportunities,

among others. The research examined the influence of corporate size, institutional ownership, and board financial expertise on the timeliness of financial reporting in Nigeria.

2.1.2 Concept of Timeliness of Corporate Financial Reporting

According to various scholars, timely reporting involves providing both financial and non-financial information to decision-makers before it loses its relevance. Al-Muzaiqer et al. (2018) stress that failing to provide information promptly may devalue it. Timely financial reporting not only reduces information asymmetry but also improves decision-making processes, as highlighted by Zaitul & Ilona (2019). The need for accounting reporting that is both of superior quality and timely is becoming more important than ever, given the growing vulnerability of Nigerian corporate entities to global financial markets. As a result, it is anticipated that corporate entities would adhere to the disclosure obligations of international investors and provide them with prompt reporting in their yearly financial statements.

2.2 Theoretical Review

2.2.1 Agency Theory

According to agency theory, when ownership and management are separate in a company, investors may want protection because managers may prioritize their own interests over those of the owners. This can create conflicts of interest where the manager (the agent) may not act in the best interests of the owners (the principals). The Agency theory addresses the dynamic between a firm's owners (shareholders) and its managers, aiming to resolve issues arising from managers' opportunistic behavior within this relationship (Saidu & Aifuwa, 2020). Various scholars discuss suboptimal investment decisions, information asymmetry, and increased agency costs. Kent et al. (2010) propose using independent external auditors to mitigate agency conflicts. This enables the company to provide timely and reliable information, aiding the principal in overseeing the manager and mitigating discrepancies, thus minimizing organizational issues. Disclosure of information is what the management uses as a tool to reduce costs delegate because it reduces the information asymmetry between shareholders and management.

2.2.2 Stakeholder Theory

The primary aim of financial reporting is to provide valuable information to investors, creditors, and other stakeholders, enabling them to make informed investment choices. The primary aim of financial statements is to provide valuable information that facilitates economic decision-making. According to Concept No. 1 of 2008, as amended by the Financial Accounting Standard Board (FASB), it was determined that financial reporting should furnish information that is valuable to current and prospective investors, creditors, and other stakeholders in making informed decisions regarding investments, credit, and related matters.

Proponents of the stakeholder perspective contend that the pursuit of maximizing shareholder value may result in the transfer of wealth from non-shareholders to shareholders. To ensure the satisfaction of diverse stakeholders, it is essential to provide them with timely access to relevant information. The theory is relevant to this study because it emphasizes the significance of timely release of corporate reports and its impact on the firm's value. Users of financial information require reliable, relevant, and timely data to thrive in competitive environments.

2.3 Empirical Review

2.3.1 Company size

The timeliness of financial reporting is influenced by a company's size, as indicated by prior research. Larger companies tend to produce financial reports more promptly, a relationship supported by several reasons. This is because of the greater resources, larger accounting teams, and advanced accounting information systems they possess compared to smaller ones. However, empirical studies on this relationship in emerging countries have shown mixed results, with some demonstrating a positive correlation between company size and the timeliness of financial reporting. Various studies have explored the relationship between corporate size and the timeliness of financial reporting. Research by Akle (2011), Guleç (2017), Ahmad et al. (2018), Ha et al. (2018), and Murti (2021) across different countries has shown that larger companies tend to report their financial statements more quickly compared to smaller ones. However, contrasting findings from studies by Rahmawati (2018) and Bangun (2019) in Indonesia suggest that the impact of corporate size on reporting timeliness may not be statistically significant.

2.3.2 Institutional ownership

Institutions wield significant influence over a company's management when they acquire a substantial portion of its stock. Institutional investors, such as pension funds, trusts, insurance companies, and financial firms, closely monitor management actions to ensure adherence to financial reporting deadlines. Managers are motivated to meet these deadlines due to ongoing oversight from institutional investors, who are typically business professionals. With their substantial ownership stake, institutional investors have a responsibility to oversee management conduct, encouraging adherence to agreed-upon timelines for financial statement releases. Several empirical studies have investigated the correlation between institutional ownership and financial reporting timeliness. These studies conducted by Al-Ajmi (2008) in Bahrain, Kusuma and Indayani (2020), and Aksoy et al. (2021) in Turkey have consistently found evidence supporting a positive relationship between the proportion of institutional ownership in a company's ownership structure and financial reporting timeliness.

2.3.3 Board financial expertise

Board Financial Expertise is the ratio of board members with proficiency in finance and accounting, utilized to contribute their skills toward achieving the organization's objectives. Administrators with an accounting background are likely to disclose more information to exhibit transparency, as suggested by Arumona et al. (2019) and Uwuigbe et al. (2019). The timeliness of financial statements hinges on the presence of directors with expertise in accounting and finance. When such expertise exists, there's increased confidence that financial reporting will be promptly completed for stakeholders' benefit. The board of directors is often best positioned to oversee the production of financial reports by the management.

Park and Shin (2004) found a positive association between board expertise and knowledge and financial reporting quality. However, Abdul and Mohammed (2006) study show a negative impact between board expertise and knowledge on financial reporting quality. Clatworthy and Peel (2010) explored the impact of corporate governance on the timeliness of financial reporting. Their findings indicated that financial expertise enhances the timeliness of financial reporting.

3. Research Methodology

3.1 Research Design

In this study, ex-post facto research design is used. Ex-post facto research refers to a methodical and empirical investigation whereby the researcher refrains from exerting control or manipulation on the independent variables, because the situation for the study already exists or has taken place, (Asika, 2006). The data used for this study are not manipulated ones, thus audience can get access to it anytime for verification

3.2 Method of Data Collection

The population of this research comprise of all non-financial firms listed under Nigerian stock Exchange as of December, 2023. However, the study sampled 10 non-financial firms which cut across different sectors (manufacturing, oil and gas, food and beverages) using purposive sampling technique. Some filtering criteria were used to select these 10 non-financial firms. The selected non-financial firms have their financial report published for the period under study; have provided all the information needed on the variables of the study, have not experienced mergers, or change of name. Strictly, secondary method of data collection was employed for this study. Based on the data available, a yearly data covering the period of 12 years, from 2012 to 2023, making a total number of 120 observations of panel were extracted from annual report of the selected quoted firms in Nigeria.

3.3 Model Specification

This study adapts the model of Mohammed (2006) which comprise of liquidity, firm age, corporate size, and profitability as the firm characteristics. The model was adjusted to include corporate size, institutional ownership, board financial expertise, return on assets as explanatory variables with financial reporting timeliness as targeted variable. In linear form, the model for this study is specified as:

$$TFR_t = \beta_0 + \beta_1 FMSZ + \beta_2 INW + \beta_3 BFEX + \beta_4 ROA + \varepsilon_i \dots\dots\dots \text{equ (3.1)}$$

Where:

TFR=Financial Reporting Timeliness,

CSZ=Corporate Size,

INW=institutional Ownership,

BFEX= Board financial Expertise,

ROA=Return on Assets,

t=Year 1 to 12

β_0 =constant

β_1, \dots, β_4 =Coefficient of Explanatory Variables

3.3.1 Measurement of Variables

S/N	Variables	Acronyms	Type of Variable	Measurement	Evidence
1	Timeliness of Financial reporting	TFR	Dependent	The time interval between the end of the reporting period and the date the financial statements are published	Richard et al (2018); Ummi (2017)
2	Corporate Size	CSZ	Independent	Natural logarithm of total assets at the end of the financial year	Ahmed et al., (2018); Mutri (2021)
3	Institutional Ownership	INW	Independent	Number of shares owned by the institution divided by	Aksoy et al., (2021)

				total number of shares of the company	
4	Board financial expertise	BFEX	Independent	Number of board members with financial knowledge and experience	Kamalluarif in (2016)
5	Return on Asset	ROA	Control Variable	Net income after tax divided by average total assets	Bungu (2019); Gulec, (2017)

3.4 Method of Data Analysis

In order to achieve the objective of the study which is to test the impact of corporate characteristics on factor mitigating delay in financial reporting, regression analysis (panel technique) was employed to analyse the data collected. Other methods used include descriptive statistics (for examining the features of the variables), Pearson correlation analysis (for examining the degree of relationship between variables), Hausman test (for determining suitable model between fixed and random model)

4. Research Analysis and Findings

4.1 Descriptive analysis

This subsection presents the descriptive statistics as well as the univariate test (t-test) results for the dataset as used for this study. Descriptive statistics usually give the description of samples of subjects in terms of variation or combination of variables (Tabachnick & Fidell, 2007). In addition, Ott and Longnecker (2010) state that “good descriptive statistics enable us to make sense of the data by reducing a large set of measurements to a few summary measures that provide a good, rough picture of the original measurements” (p. 57). Therefore, Table 4.1 presents the descriptive statistics 98 involving the mean, minimum, maximum, and standard deviation of the continuous variables in this study, which were computed by means of e-view software version 10.

The descriptive statistics of the variables under study are presented in Table 4.1. the result revealed that the average TFR of the selected non-financial firms within the period under study was 68.66667 (69days) with minimum and maximum value of 21 days and 117days respectively. The standard deviation for TFR was 23.33725. The implication here is that on average, the selected non-financial firms in Nigeria published their financial report with 69 days within the period under study while the lowest and highest time it took for them to prepare and publish their financial report was 21days and 117days respectively. This indicates that as some prepare and publish their financial report on time, other prepare and publish theirs late.

The skewness and kurtosis coefficients for TFR were -0.462043 and of 2.407638 respectively, meaning that TFR has a long-left tail and the tail is light.

Table 4.1 Summary of Descriptive Analysis

	TFR	LOG(CSZ)	INW	BFEX	ROA
Mean	68.66667	17.60033	0.620929	3.558333	2.556567
Maximum	117.0000	22.88426	0.924809	5.000000	2.950000
Minimum	21.00000	14.30348	0.201622	1.000000	0.670000
Std. Dev.	23.33725	2.922383	0.747195	1.035470	0.318860
Skewness	-0.462043	0.469305	0.773325	-0.179396	-0.352929
Kurtosis	2.407638	1.518465	5.551981	2.590236	1.924039
Jarque-Bera	6.024132	1.537968	12.22351	1.483189	1.571218
Probability	0.049190	0.390457	0.076543	0.476354	0.236547
Sum	8240.000	2112.039	74.51149	427.0000	306.7880
Observations	120	120	120	120	120

The mean value of CSZ of the selected non-financial firms in Nigeria in natural log form was N17.60033 which ranges from N14.30348 to N22.88426 with standard deviation of N2.922383. This implies that on average, the total corporate size of the selected firms is approximately 894,000,000 taking the antilog of 17.60033. From this value it could be deduced that the firms under study are larger once who has invested heavily. The skewness and kurtosis coefficients for CSZ were 0.469305 and 1.518465, implying that CSZ is positively skewed with thinning tail. The mean value of INW in the selected non-financial firms was 0.620929 with minimum of 0.201622, maximum of 0.924809 and standard deviation of 0.747195. The skewness and kurtosis coefficients for INW were 0.773325 and 5.551981, implying that INW is positively skewed with tick tail. On the average, BFEX of the selected non-financial firms was 3.558333 which ranges from 5.00 to 1.000 with standard deviation of 1.035470. The skewness and kurtosis coefficients for BFEX were -0.179396 and 2.590236, implying that BFEX is negatively skewed with thinning tail.

The average value of ROA of the selected firms in Nigeria within the period under study was 2.556567. The minimum value of ROA was 0.670000, maximum value of ROA was 2.950000 while the standard deviation was 0.318860. So, for every naira invested by the selected firms, there is average income of 2.950000 on the investment with the period under consideration. The skewness and kurtosis coefficients for ROA were -0.352929 and 1.924039, implying that ROA is negatively skewed with thinning tail. The result of Jarque-Bera statistics indicated that all the variables under consideration are normally distributed because the null hypothesis that the series is normally distributed for every variable were not rejected due to their probability higher than 5 per cent.

4.2 Correlation analysis

Correlation analysis is used to explain the strength and direction of a linear relationship between two variables. Pearson correlation was employed to assess the interrelationship between study variables. The table below shows the interrelations among corporate size, board financial expertise and institutional ownership. A correlation of 0 indicated no relationship at all, a correlation of 1.0 is an indication of positive correlation, and a value of -1 is a pointer of a perfect negative correlation. Cohen (1988) suggested the following guidelines as: $r = 0.10$ to 0.29 small; $r = 0.30$ to 0.49 medium; and $r = 0.5$ to 1.0 large, as indicated in the Table 4.3.

Table 4.2 Correlation Coefficients

	TFR	LOG(CSZ)	INW	BFEX	ROA
TFR	1.000000				
LOG(CSZ)	-0.717895	1.000000			
INW	0.676810	0.085425	1.000000		
BFEX	-0.521445	0.174185	0.113432	1.000000	
ROA	-0.610988	0.317929	0.049896	0.098626	1.000000

Table 4.2 shows the correlation matrix of all the variables under consideration. The result revealed that financial reporting timeliness (TFR) has a strong negative relationship with corporate size (CSZ), board financial expertise (BFEX) and return on assets (ROA) except institutional ownership (INW) with correlation coefficient of -0.717895, -0.521445, -0.610988 and 0.676810 respectively, This implies that corporate size (CSZ), institutional ownership (INW), board financial expertise (BFEX) and return on assets (ROA) have the potential to influence financial reporting timeliness of the selected non-financial firms. The correlation result revealed further that independent variables are not highly correlated, indicating absence of multicollinearity among independent variables. According to Gujarati (2004), when correlation coefficient between two independent variables is 0.8 or above, it is considered too high can result to multicollinearity. So, since the correlation between independent variables are lower than 0.8, there no cause for worry about multicollinearity problem. Hence, using these variables for estimation of regression is expected to yield a desirable and reliable result.

Table 4.3 Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. df	Prob.
Cross-section random	6.461224	4	0.0373

Source: Researcher's Computation (2024)

Table 4.3 shows the result of Hausman Test to determine the most suitable model between random and fixed effect model. However, the Chi-square statistic of 6.461224 and its corresponding probability value of 0.0373 led to rejection of the null hypothesis that random

model is appropriate since Chi-Square probability is lower than 0.05. The test therefore suggests that fixed effect model is the optimal and suitable model to be used in estimating the variables under consideration.

4.4 Regression analysis

This sub-section presents the results of the regression on the relationship between corporate size, board financial expertise and institutional ownership and financial timeliness of non-financial firms quoted on the Nigerian Exchange Group.

Table 4.4 Regression Result Summary

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	66.96334	31.81687	2.104649	0.0377
LOG(CSZ)	-4.109343	1.049806	-3.914383	0.0006
INW	1.633743	0.876274	1.864420	0.0556
BFEX	-9.972746	1.198697	-8.319655	0.0000
ROA	-5.551646	1.291521	-4.298533	0.0000
R-squared	0.802507	Mean dependent var		68.66667
Adjusted R-squared	0.797563	S.D. dependent var		23.33725
S.E. of regression	23.42534	Akaike info criterion		9.254794
Sum squared resid	58167.12	Schwarz criterion		9.580002
Log likelihood	-541.2877	Hannan-Quinn criter.		9.386862
F-statistic	23.93129	Durbin-Watson stat		1.874476
Prob(F-statistic)	0.000000			

Source: Researcher's Computation (2024)

In Table 4.4, the regression results show that R-square was 0.802507, meaning that corporate size (CSZ), institutional ownership (INW), board financial expertise (BFEX) and return on assets (ROA) explained about 80.2507 per cent of variation in financial reporting timeliness (TFR) of selected firms in Nigeria within the period under study while the remaining 19.8 per cent of variation in financial reporting timeliness (TFR) can be as a result of other unknown

variables outside the estimated model. The adjusted R-square of 0.797563 indicate that the predictive power of the regression model is strong. While, corporate size, board financial expertise and return on assets have negative and significant relationship with financial reporting timeliness (TFR), institutional ownership (INW) has a positive significant relationship with financial reporting timeliness (TFR) of the selected firms in Nigeria.

Thus, increase in corporate size, board financial expertise, and return on assets will bring about reduction in the financial reporting timeliness (TFR) of the selected firms in Nigeria while increase in institutional ownership (INW) will lead to upward movement of financial reporting timeliness (TFR) of the selected firms in Nigeria. The F-statistics of 23.93129 and its probability of 0.000000 indicates that the collective contribution of corporate size (CSZ), institutional ownership (INW), board financial expertise (BFEX) and return on assets (ROA) in influencing the financial reporting timeliness (TFR) of selected non-financial firms in Nigeria. Hence, the overall model is statistically significant. The value of Durbin-Watson stat was 1.874476, meaning that there is no serial correlation in the mode because Durbin-Watson statistic is approximately equal to 2.

Hypotheses Testing

Decision Rule: Reject null hypothesis if probability value (i.e. of t-statistics) is lower than significant level (1%, 5% and 10%), otherwise accept.

Hypothesis One: H_{01} : There is no relationship between corporate size and timeliness of financial reporting.

Table 4.4 above illustrate that the coefficient of corporate size was -4.109343, meaning that corporate size has a negative significant relationship with timeliness of financial reporting of the selected non-financial firms in Nigeria. Since the t-statistics probability ($t=-3.914383$, $p=0.0006$) is lower than the 5 per cent significant level, there is sufficient evidence to reject the null hypothesis that stated that there is no relationship between corporate size and timeliness of financial reporting. The study therefore suggests that there is significant negative relationship between corporate size and timeliness of financial reporting. This implies that corporate size reduces the period taken by the selected firms to publish their financial report. Thus, a unit increase in corporate size will reduction in timeliness of financial reporting of the selected non-financial firms in Nigeria by 4days. The significant relationship between corporate size and timeliness of financial reporting of the selected firms observed is in agreement with the studies of Gulec (2017) done in Turkey; Ahmed et al. (2018) done in Malaysia; Ha et al. (2018) done in Vietnam; Murti (2021) done in Indonesia. Contrarily, the finding disagreed with the studies of Rahmawati (2018) and Bangun (2019) where it was found that corporate size has no significant relationship with timeliness of financial reporting.

Hypothesis Two: H_{02} : There is no relationship between institutional ownership and timeliness

of financial reporting.

Table 4.4 above illustrate that the coefficient of institutional ownership was 1.633743, meaning that institutional ownership has a positive significant relationship with timeliness of financial reporting of the selected non-financial firms in Nigeria. Since the probability ($t=1.864420$, $p=0.0556$) is lower than the 10 per cent significant level, there is sufficient evidence to reject the null hypothesis that stated that there is no relationship between institutional ownership and timeliness of financial reporting. The study therefore suggests that there is significant relationship between institutional ownership and timeliness of financial reporting. Thus, a unit increase in institutional ownership will increase timeliness of financial reporting of the selected non-financial firms in Nigeria by approximately 2days. This finding is in line with the study of Al-Ajmi et al. (2008); Kusmu and Indayani (2020) and Akoy et al. (2021) who discovered a positive relationship between institutional ownership and timeliness of financial reporting in their respective context. Meanwhile, the finding disagreed with the studies of Alabi et al. (2022) whose study revealed a negative significant relationship between institutional ownership and timeliness of financial reporting.

Hypothesis Three: H_{03} : There is no relationship between board financial expertise and timeliness of financial reporting.

Table 4.4 above illustrate that the coefficient of board financial expertise was -9.972746, meaning that board financial expertise has a negative significant relationship with timeliness of financial reporting of the selected non-financial firms in Nigeria. Since the probability ($t=-8.319655$, $p=0.0000$) is lower than the 5 per cent significant level, there is sufficient evidence to reject the null hypothesis that stated that there is no relationship between board financial expertise and timeliness of financial reporting. The study therefore suggests that there is a negative significant relationship between board financial expertise and timeliness of financial reporting. This implies that board financial expertise significantly reduce delay in preparing financial reporting and auditing during the period under study. Thus, a unit increase in board financial expertise will decrease timeliness of financial reporting of the selected non-financial firms in Nigeria by approximately 10 days. However, this finding is consistent with the study of Kamalluarifin (2016); Mohammed (2006); Park and Shin (2004)

4.5 Summary of findings

From the estimated regression model, it was observed that corporate size (CSZ), institutional ownership (INW), board financial expertise (BFEX) and return on assets (ROA) explained about 80.2507 per cent of variation in financial reporting timeliness (TFR) of selected firms in Nigeria within the period under study. Thus, they have collective potential to influence the financial reporting timeliness (TFR) of selected non-financial firms in Nigeria (F-statistics = 23.93129, $p= 0.000000$). According to the result, coefficient of corporate size was -4.109343,

meaning that corporate size has a negative significant relationship with timeliness of financial reporting of the selected non-financial firms in Nigeria ($p < 0.05$). Thus, a unit increase in corporate size will bring about reduction in timeliness of financial reporting of the selected non-financial firms in Nigeria by 4 days. It was also found that the coefficient of institutional ownership was 1.633743, meaning that institutional ownership has a positive significant relationship with timeliness of financial reporting of the selected non-financial firms in Nigeria ($p < 10\%$). Thus, a unit increase in institutional ownership will bring about a 2 days increase in timeliness of financial reporting of the selected non-financial firms in Nigeria. The result illustrate that the coefficient of board financial expertise was -9.972746, meaning that board financial expertise has a negative significant relationship with timeliness of financial reporting of the selected non-financial firms in Nigeria ($p < 0.05$). Thus, a unit increase in board financial expertise will bring about approximately 10 days decrease in timeliness of financial reporting of the selected non-financial firms in Nigeria. Lastly, the coefficient of return on assets was -5.551646, meaning that return on assets has a negative significant relationship with timeliness of financial reporting of the selected non-financial firms in Nigeria ($p < 0.05$). Thus, a unit increase in return on assets will bring about approximately 6 days decrease in timeliness of financial reporting of the selected non-financial firms in Nigeria.

5. Conclusion and Limitations

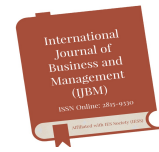
The research explored the impact of corporate characteristics in mitigating financial reporting delays in Nigeria between the periods 2012- 2023. The study concluded that corporate characteristics such as corporate size, board financial expertise and return on assets had significant impact in reducing financial reporting delay in Nigeria non-financial firms. Based on the findings of this research, the following recommendations are suggested. Selected firms should hire more accounting professionals with sufficient expertise, experience, and knowledge as board members as this would improve the promptness of auditing and report preparation. The study suggests that smaller firms in the non-financial sector in Nigeria should consider increasing their size and absorb the internal economies and accounting needed to improve their activities. This would contribute to a decrease in the duration needed for the preparation and dissemination of financial reports to the general public and would in turn, facilitate the swift availability of information to stakeholders in order to make well-informed economic decisions. The return on assets of the nonfinancial firms under consideration can be increased by improving the net income of the firm future operating and investing activities which in turn will lead to timeliness report as well as bring about higher dividends to shareholders. It is obvious that the study suffers some limitations as a result, the conclusions might be inapplicable to every company listed on the Nigerian Stock Exchange because it only looked at non-financial companies. Consequently, additional research on this subject matter may be conducted by examining companies listed on the Nigerian Stock Exchange that are both financial and nonfinancial. This study is limited to its variables only-corporate size,

institutional ownership, board financial expertise, and return on asset; further research can include other exogeneous variables that are expected to mitigate delay in financial reporting timeliness.

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