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Determinants of Audit Delay in Nigerian Companies: Empirical Evidence

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ABSTRACT
This paper examines relationship between audit delay and several company characteristics in Nigeria. The objective of this study is to measure the extent of audit lag in Nigeria and to establish the impact of selected corporate attributes on audit delay in Nigeria. A sample of 20 quoted companies was selected for a period of 2009 to 2011. The audit delay for each of the companies revealed that it takes a minimum of 30 days and a maximum of 276 days for Nigerian companies to publish their annual reports. Nigeria listed companies take approximately two months on the average beyond their balance sheet date before they are finally ready for the presentation of the audited accounts to the shareholders at the annual general meetings. The results from the panel data which was estimated using Ordinary Least Square regression showed that the major determinants of audit delay in Nigeria include multinationality connections of companies, company size and audit fees paid to auditors. We therefore recommend that regulatory agencies in Nigeria should probe audit delay and formulate policies to enforce compliance with timely release of annual reports.
Keywords: audit delay, audit lag, annual reports, company characteristics

1. INTRODUCTION

Financial information users require accurate and timely information for informed decision making. The American Accounting Association (AAA, 1954 and 1957) was the first to consider timeliness as one of the qualitative attributes or characteristics of useful information. Today, timeliness which according to Carslaw and Kaplan (1991) requires that information should be made available to financial statement users as rapidly as possible, has been recognized by the professional body, regulatory authorities, financial analysts, investors and managers, and the academics as one of the important characteristics of financial statements which Davies and Whittred (1980) assert as a necessary condition to be satisfied if financial statements are to be useful.

Abdulla (1996) argues that the shorter the time between the end of the awaiting year and the publication date, the greater the benefits that can be derived from the financial statements. He asserted further that the delay in releasing the financial statement is most likely to boost uncertainty associated with the decisions made based on the information contained in the financial statements.

There is no doubt that in recent years, an avalanche of both private and public limited companies have published their audited financial statements as stipulated in CAMA (2004) as amended. But suffice it to mention that these audited financial statements are published much later than necessary. The question that proceeds from the foregoing is whether the delay in the disclosure of the audit report will enable the investors to take informed and timely investment decisions. Therefore, audit delay is generally defined in this study as the length of time from a company's financial year-end to the date of the auditor's report. In this study, audit delay has been considered as the time from a company's accounting year end to the date of the auditor's report.

This study unlike other prior studies examined the subject matter both cross-sectionally and longitudinally in other to establish the trend of audit delay over a period of time among some selected publicly quoted companies in Nigeria.

2. LITERATURE REVIEW

2.1 THEORETICAL FRAMEWORK

Timeliness is an important qualitative attribute of financial statement which requires the information to be made available to the users as rapidly as possible. The increase in the reporting lag reduces the information content and relevance of the documents. The recognition that the length of audit may be the single most important determinant affecting the timing of earnings announcement has motivated recent research on audit delay, (Whittred, 1980b: Givoly and Palmon, 1982; and Carslaw and Kaplan, 1991).

Both empirical and analytical evidences found that the timeliness of financial statement has some repercussions on the firm's value, (Beaver, 1968; Givoly and Palmon, 1984). For instance, Givolry and Palmon (1982, p. 486) contended that the price reaction to the disclosure of early earnings announcements was significantly more pronounced than the reaction to late announcements. Beaver (1968) asserted that investors may postpone their purchases and sales of securities until the earnings report is released. Likewise, the investors would probably search for alternative source of information. The delayed disclosure may encourage certain unscrupulous investors to acquire costly private pre-disclosure information and exploit their private information at the expense of "less informed" investors, (Bamber, Bamber and Schoderbek, 1993).

In the first US study on audit delay Garsombke (1981) finds inconclusive evidence that firms with January to March fiscal year – end are less timely than other firms; that there is no significant difference among major CPA firm's audit timeliness; that firms with listing statuses vary in timeliness; that current ratio is negatively associated with timeliness while debt ratio is positively associated with it; and that good news is not reported more quickly than bad news.

Givoly and Palmon (1982) analyze timeliness and information content of annual reports and examine their relationship with certain corporate attributes. They tested Beaver's (1968) suggestion that good news is released promptly while the release of bad news is systematically delayed, using relative measure of profitability and both absolute and relative measures of timeliness.

Dyer and McHugh (1975) attempted to discover reasons for the delay in the publication of annual financial reports of Australian companies. Their model aimed to establish the impact of selected corporate attributes on reporting delays of a sample of 120 companies randomly selected companies listed on Sydney Stock Exchange (SSE). Apart from taking time lag from annual reports, they distributed a questionnaire to the controller and auditors of the sample firms. The study revealed the sixty-six percent of the mean total lag was consumed in pre-audit delays and year-end audit examination. Of the three corporate attributes investigated, only corporate size appeared to account for some of the variations in total lags, but the relationship did not appear to be very strong. The relationship was, however inverse as expected. Their results tend to support the hypothesis that there is a significant relative relationship between time lag and the company's profitability. The statistical tools used in this study were spearman rank correlation and the Mann-Whitney U test, which more suitable for ordinal data.

Courtis (1976) reported the results of his findings of 204 listed New Zealand Companies for the year 1974. He examined the association of four corporate sizes (proxied by book value of total assets, the dollar value of sales revenue and number of employees), age of the company, number of shareholders, and the pagination (length) of the annual report, with time lag in corporate report preparation and publication. He found that the average interval of time between balance date and date of annual general meeting was 18 weeks, 12 of which purport to be absorbed by audit process of corporate annual accounts. He found that slow reporters tended to be less profitable as a group than fast reporters, and fuel and energy and finance type companies tended to be fast reporters as specific groups while service industries and mining and exploration companies tend to be slow. Mann-Whitney Z and U tests were used which revealed that none of the four variables were statistically significant in explaining reporting lags. However, profitability and industry sectors were found to be statistically significantly different between the slow reporters and the fast reporters.

Gilling (1977) argues that Curtis's investigation failed to establish any statistically significant association between corporate attributes and reporting delays because the lag, in his view, was essentially an auditing lag. So, he asserted that auditors' attributes should be examined instead of company attributes in order to find any meaningful explanation of reporting lag. He studied 1976 annual reports of 187 New Zealand listed companies. He found out that these companies were audited by 50 audit firms of which approximately 69% were audited by the seven largest auditing firms. The mean reporting delay of companies audited by the other 43 firms involved in auditing sample companies. More importantly, the mean time lag for the 20 overseas companies in the sample was only 53 days and for the 24 public companies with assets over 50 million dollars was 70 days. He suggested that this was because of the conscious scheduling of audit work by large public companies.

Givoly and Palmon (1982) found an improvement in the timeliness of annual reports of 210 companies listed on the New York Stock Exchange (NYSE) over a period of 15 years from 1960 to 1974. They focused on the abbreviated audited annual reports published in the earnings digest of The Wall Street Journal ahead of the full annual report. Corporate size and complexity of operations were used to explain timeliness. Reporting delays appeared to be more closely associated with industry patterns and traditions rather than to the company attributes studied. It was,

however, found that bad news tended to be delayed and that the degree of market reaction to early and late announcements was differential. Late announcements appeared to convey less new information than earlier reports. They reported that time lags decreased overtime. Sales as a proxy of size was found to be negatively related to the timeliness of annual reports.

Whittred and Zimmer (1984) examine the association between time lag and a set of corporate attributes in Australia. Their study showed that the firms not facing financial distress take less time to publish annual reports than firms that are facing financial distress. Further, their findings tended to support their hypothesis that company management will strive to delay in releasing bad news or to suppress information that might damage the company.

Ahmed (2003) reports long delays in reporting to shareholders in three South Asian countries namely India, Pakistan and Bangladesh. Using a large sample of 558 company annual reports for the year 1997-1998 comprising 115 reports from Bangladesh, 226 reports from India and 217 report from Pakistan, Ahmed finds that the total lag between the financial year and holding the annual general meeting is on average, 220, 164 days and 179 days in Bangladesh, India and Pakistan, respectively. In Bangladesh, Ahmed did not find any association between corporate characteristics and timely reporting.

During the last four decades, the literature on timeliness in general had become an established area of research in financial accounting. Some of these studies were those reviewed above. They facilitated the background to formulate the hypotheses which have been used in this study.

2.2 CONCEPTUAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

The present study examined the corporate attributes affecting audit delay of listed companies in Nigeria. The following paragraphs provide the underlying rationale behind the hypothesized relationship between each of the seven variables and audit delay.

1. Size of the Company

There are several studies which have found that there is a significant association between the size of the company and the audit delay in both developed and developing countries (Newton and Ashton), 1989; Davies and Whittred, 1980; Ashton et al, 1989; Carslaw and Kaplan, 1991; Garsomble 1981; Gilling, 1977 and Abdulla, 1996). For example Ashton, Graul and Palmon (1987; p. 660) held the opinion that their analysis indicated that assets provided greater explanatory power. Majority of earlier researchers have used total assets as the measure of company size. There is a negative relationship between the audit delay and the company size which has been confirmed by most empirical studies. However, researchers like Givolry and Palman (1982) found that no significant relationship (either negative or positive) between the size of the company used and the audit delay. There are some justifications why company size could be negatively related to the extent of audit delay. Larger companies may be hypothesized to complete the audit of their accounts earlier than smaller companies for a variety of reasons. Firstly, it has been argued that the "larger companies may have stronger internal controls, which in turn should reduced the propensity for financial statements errors to occur and enable auditor(s) to rely on controls more extensively and to perform more interim work (Carslaw and Kaplan, 1991, p. 23). Secondly, larger companies have the resources to pay relatively higher audit fees to perform soon after the year end of the financial year and vice versa. Hence it is likely that the audit of accounts of larger companies are likely to be finished earlier as compared to those of smaller companies. Thirdly, the larger the firm, the more the audience who are interested in its affairs (Abdulla, 1996). Dyer and McHugh (1975) argued that management of larger companies may have incentives to reduce both audit delay and reported delay since larger companies may be monitored more closely by investors, trade unions and regulatory agencies, and thus face greater external pressure to report earlier. Therefore, researchers like Davies and Whittred (1980), Ashton et al (1989), Carslaw and Kaplan (1991) and Abdulla (1996) argued that to reduce uncertainty about performance that might reduce share price, larger firms tend to complete their audit work as soon as possible in other to release their annual reports. Finally, larger companies may be able to exert greater pressures on the auditors to start and complete the audit in time (Carslaw and Kaplan, 1991). In this study, lag of total assets has been used as the measures of company size.

H_1: Firms with greater assets are likely to complete audit of their accounts sooner than those firms with fewer total assets.

2. Debt-equity Ratio

It has been argued that increase in the amount of debt a firm uses, will put pressure on the firm to provide its creditors with audited financial reports more quickly (Abdula, 1996). The debt-equity ratio has been studied

empirically by some researchers like Carslaw and Kaplan (1991) and Abdulla (1996) found no significant association between the debt-equity ratio and audit delay. The nature of the audit lag and debt-equity is ambiguous. Companies having more debt in their financial structure, can be argued to start and complete the audit quicker than those firm's with less or no debt. Relatively highly geared companies have an incentive to complete audit work in order to have the auditor's report for facilitating both monitoring by the creditors of the company's operations and financial position and any implementation of corrective measures (Abdula, 1996). In addition, such companies may release their audited reports more quickly to reassure equity holders who may reduce risk premiums in required rates return on equity. However, the quick release of the audited financial statements is not possible unless the audit work is accomplished. On the other hand, there is a possibility that the companies with higher debt-equity ratios may want to disguise the level of risk and may delay to publish their corporate annual reports and may have an incentive to defer audit work as long as possible. Several measures of leverage have been used in previous studies, including debt to total assets, total debt, debt proportion (Carslaw and Kaplan, 1991) as well as the debt-equity ratio. The debt-equity ratio has been used as a measure of leverage in this study.

H_2: Firms with higher debt-equity ratios are likely to complete audit of their accounts sooner than firms with lower debt-equity ratios.

3. Profitability

Profit has been used by some researchers as an explanatory variable for audit delay (e.g. Dyer and McHugh, 1975), Carslaw and Kaplan, 1991 and Custis, 1976). Among these researchers, Courtis (1976) and Dyer and McHugh (1975) found a positive association between profitability and audit delay whereas Carslaw and Kaplan (1991) found a negative association between profitability and audit delay. There are arguments in favour of the profitability being negatively associated audit delay .First, profitability can be considered one indication of whether good news or bad news resulted from the year's activity (Ashton, Willingham and Elliott, 1987). If the company experiences losses, management may wish to delay in releasing the corporate annual report in order to avoid the discomfort of communicating it as it as it "bad news". It has been argued that 'a company with a loss may request the auditor, to schedule the start of the audit later than usual' (Carslaw and Kaplan, 1991: p. 24). On the other hand, companies having higher profitability may wish to complete audit of their accounts as early as possible in order to quickly release their audited corporate annual reports to convey the "good news". So, it is likely that if the profitability of a company is high, management is likely to hurry to publish the corporate annual report in order to experience the comfort of communicating it, as it is 'good news'. For profitable companies if the net profit margin or the rate of return on investment is more than the industry average, the management of a company has an incentive to communicate 'good news' and is likely to hurry to release their corporate annual reports as early as possible. In addition, there is an argument that "an auditor may proceed more cautiously during the audit process in response to a company loss if the auditor believes the company's loss increases the likelihood of financial failure or management fraud. (Carslaw and Kaplan, 1991; p. 24).

Profitability in this study is a dummy variable where companies reporting a profit for the period were expected to minimize audit delay, and were assigned a '1', and the rest of the companies were assigned a '0' which were sustaining losses.

***H_3:** Firms with profit are likely to complete audit of their accounts sooner than firms with losses*

4. Subsidiaries of Multinational Companies

The subsidiaries in developing countries of parent multinational companies from developed countries are likely to start and complete the audit of their accounts more quickly than their local counterparts. Several justifications may be offered for the inclusion of this subsidiaries of multinational companies variable. The subsidiaries of multinational companies have to prepare their accounts very soon after the year and of the accounting period for consolidation purpose. So, it is very important for these subsidiaries of multinational to prepare and complete the audit of their accounts as early as possible.

Apart from the aforementioned reason, the shares of the subsidiary companies are called "blue chips". The subsidiaries of multinational companies are motivated to communicate information more quickly to the capital market than their domestic counterparts.

Also, it has been found that the audit of multinational companies are performed by international auditing firms or more likely the 'Big Five' who are very quick and efficient in finishing their audit work. This variable is the first in the studies relating to the audit delay which seek to establish association between subsidiaries of multinational companies and the audit delay.

H_4: Firms with multinationality connections (subsidiaries of multinational companies) are likely to complete audit of accounts sooner than their domestic counterparts.

5. Audit Firm Size

There are studies which have examined empirically the relationship between the characteristics of the audit firm (size of the audit firm or international link of the auditing firm) and audit delay (Carslaw and Kaplan 1991 and Gilling, 1977). Whereas Gilling (1997) found a significant positive relationship between the audit delay and the size of the auditing firms. Garsombke (1981), Carslaw and Kaplan (1991) and Davis and Whittred (1980) found no significant association between the audit firm size and audit delay.

It is more likely that the larger audit firms (hence, international audit firms) have a stronger incentive to finish their audit work more quickly in order to maintain their reputation. Otherwise, they might loose the re-appointment as the auditor of their client companies in the subsequent year(s). As the larger and well known audit firms have more human resources than smaller firms and it has been argued that these audit firms may be able to perform their audit work more quickly than smaller audit firms.

It has been argued by Gilling (1977) that audit delay for companies with international firm is expected to be less than for audits from. Other audit firms, because they are larger firms, might be able to audit more efficiently, and have greater flexibility in scheduling to complete audit in time. (Carslaw and Kaplan, 1991). In this study, the auditors are classified into two groups – international auditing firms including the "Big Five' and domestic audit firms. Most domestic audit firms in Nigeria can be characterized as a sole proprietorship firms (although there exists some partnership audit firms) and hence, smaller in size. The 'INLNK' variable used in this study is a dummy variable representing '1' if it is an international audit firm and '0' if not. There is a negative relationship between INLNK and AUDLY

H_5: *Firms that engage large audit firms are likely to complete audit of their accounts sooner than those firms that engage smaller audit firms.*

6. **Audit fees**:

There are no studies which have found that there is a significant association between the size of the audit fees of a reporting company and its audit delay in both developed and developing countries. There are several reasons why audit fee size could be negatively related to the extent of audit delay. The audit fees for the large manufacturing corporations are higher as compared to smaller corporations. The audit work for the large manufacturing corporations takes usually longer time because of the absolute amount of inventory and receivables, and the proportion of asset in inventory and receivables and number of subsidiaries within and outside the country.

H_6: *Firms with higher audit fees are likely to have the audit of their accounts completed sooner than those firms with lower audit fees.*

7. Industry type:

Some earlier researchers have used industry type as an explanatory variable for audit delay. One industry may have complex manufacturing process while others may not. The adoption of different industry related accounting measurement, valuation and disclosure techniques and policies may cause delay in preparing accounts and audit of complex industries. Therefore, the time to perform the audit work may be longer for the companies having complex manufacturing process than other companies. For example, audit delay is expected to be shorter for the trading companies or companies with simple manufacturing process such companies typically have little or no inventory. Inventories are difficult to audit and represent an area where material errors frequently occur (Carslaw and Kaplan, 1991, p. 24). Earlier researchers divided industries into two categories (financial and non-financial) for purposes of analysis. However, in this study, companies having complex operations have been assigned "1" and "0" otherwise.

H_7: Firms with less complex operations are likely to express completion of the audits of their accounts sooner than companies having complex manufacturing process

3. METHODOLOGY

The sample covers 20 listed companies for three years i.e 2009, 2011 and 2010. The total number of corporate annual reports of the companies in question available was 60 from which data were obtained for the variables used. The time audit delay data on each of the selected companies were taken from their annual reports. The balance sheet date represents the year and data for which the financial reports were prepared. The profit, total assets, audit fees, international link of audit firms, industry type and subsidiaries of multinational companies were extracted from the annual reports. In addition, the figures for shareholder's equity and debt-equity ratio were calculated from the

information provided in the annual reports. The interval period (i.e. audit lag) has been calculated from the dates supplied by the corporate annual reports being the interval of days between balance sheet date and the date of auditor's report. Multiple linear regression was used to test the hypotheses of this study. In the model, the time lag has been used as the dependent variable as in equation (1) below:

AUDLAY = $\propto + \beta_1$ PRFT + β_2 MCOM + β_3 DRAT + β_4 LASSTS + β_5 INLNK + β_6 AUDFEE + β_7 INDST + ε ------(1)

Where;

Y = audit delay (in days)
$\propto$ = the constant
PRFT = profitability
MCM = subsidiary of multinational company
DRAT = debt-equity ratio
LASSTS = log of total assets
INLNK= international link of audit firms
AUDFEE = audit fee
INDT = industry type
ε = error term.

4.ANALYSIS OF RESULTS

This section discusses the results of the empirical exercise for this study.

TABLE 1: POOLED OLS REGRESSION RESULT

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
PRFT	-23.145	15.983	-.162	-1.448	.154
INDT	-24.272	16.945	-.212	-1.432	.158
INLNK	35.406	21.169	.186	1.673	.100
DRAT	-.014	.201	-.007	-.068	.946
MCM	52.971	15.013	.462	3.528	.001
LNTASSETS	-13.977	1.703	-.714	-8.209	.000
LNAUDFEE	-16.641	4.633	-.394	-3.592	.001

Source: Researchers' computation (2012).

R = 0.851, R^2 = 0.723, Adjusted R Square = 0.686, D.W – Stat. = 2.1, F-stat = F (7, 52) = 19.432

AUDLY = 465.08 – 23.14PRFT – 24.27INDT + 35.4INLNK - 0.014DRAT + 52.97MCM -13.97 LNTASSTS – 16.641LAUDFE---2

An examination of table 1 shows that the Multiple co-efficient of correlation (R) with a value of 0.851 indicates that the relationship among all the variables taken together is about 85%, which shows a high degree of relationship among the variables used in the study.

The coefficient of determination (R^2) with a value of 0.723 means that about 72% of the total systematic variations in the dependent variable (AUDLY), have been explained by the explanatory variables taken together. The adjusted R-square shows that after adjusting for the degree of freedom the model could still explain about 69% of the total systematic variations in AUDLY, Only about 31% of the systematic variation of AUDLY was left unaccounted for by

the model which has been captured by the stochastic disturbance term in the model. This indicates a good fit of the regression line and also the model has a high forecasting power.

On the basis of the overall statistical significance of the model as indicated by the F-statistic, it was observed that the overall model was statistically significant since the calculated F- value of 19.432 was greater than the critical F- value of 2.19 at 5% level of significance. This shows that there exist a linear relationship between the dependent variable (AUDLY) and all the explanatory variables taken together. The overall model is thus significant in explaining audit delay for the 20 listed companies.

On the basis of the individual statistical significance, as shown by the t-ratios, it was observed that MCM, LNTASSETS AND LNAUDFEE were statistically significant since their calculated t-values of 3.52, -8.209 and -3.592 respectively was greater than the critical t-value of 2.1 at 5% level of significance under the two-tailed test. This means that MCM, LNTASSETS AND LNAUDFEE have a significant impact on AUDLY While PRFT, INDT, INLNK, and DRAT do not have any significant impact on AUDLY. The result also showed that PRFT, INDT, LNTASSETS DRAT and LNAUDFEE had the expected a priori sign, while INLNK, and MCM did not have the expected *a priori* sign that is they showed a positive relationship with AUDLY. An close look at all the regression result reveals that in a developing economy like Nigeria the major the determinants of the Audit Delay include multi-nationality connections, the size of the firm and the audit fees paid to the auditors.

4. TEST OF HYPOTHESES

The t-ratios from the regression result of the pooled data were used to test the hypotheses. The study adopted 5% level of significance under the two-tailed test.

H_1: It was observed that LNTASSETS with a calculated t-value of -8.209 is greater than the critical t-value of 2.1 at 5% level of significance under the two-tailed test. Hence we reject the null hypothesis and accept the alternative hypothesis which states that the size of the firm has a significant impact on audit delay.

H_2: It was observed that DRAT with a calculated t-value of -0.06 is less than the critical t-value of 2.1 at 5% level of significance under the two-tailed test. Hence we accept the null hypothesis and reject the alternative hypothesis. We can conclude that Firms with higher debt to equity ratios are likely to complete audit of their accounts sooner than firms with lower debt to equity ratios.

H_3: From the regression results, it was observed that PRFT with a calculated t-value of -1.148 is less than the critical t-value of 2.1 at 5% level of significance under the two-tailed test. Hence we accept the null hypothesis and reject the alternative hypothesis. We can conclude that Firms with profit are likely to complete audit of their account sooner than firms with losses.

H_4: From the regression results, it was observed that MCM with a calculated t-value of 3.5 is greater than the critical t-value of 2.1 at 5% level of significance under the two-tailed test. Hence we reject the null hypothesis and accept the alternative hypothesis which states that firms with multi-nationality connections (subsidiaries of multinational companies) are likely to complete audit of their accounts sooner than their domestic counterparts.

H_5: From the regression results, it was observed that INLNK with a calculated t-value of 3.5 is greater than the critical t-value of 2.1 at 5% level of significance under the two-tailed test. Hence we reject the null hypothesis and accept the alternative hypothesis which states that firms with multi-nationality connections (subsidiaries of multinational companies) are likely to complete audit of their accounts sooner than their domestic counterparts.

H_6: From the regression results, it was observed that LNAUDFEE with a calculated t-value of -8.2 is greater than the critical t-value of 2.1 at 5% level of significance under the two-tailed test. Hence we reject the null hypothesis and accept the alternative hypothesis which states that Firms with lower audit fees are likely to have the audit of their accounts completed sooner than those firms with higher audit fees.

H_7: From the regression results, it was observed that INDT with a calculated t-value of -1.43 is greater than the critical t-value of 2.1 at 5% level of significance under the two-tailed test. Hence we accept the null hypothesis and reject the alternative hypothesis. We therefore can conclude that Firms with less complex operations are

likely to experience completion of the audit of their accounts sooner than companies having complex manufacturing process.

5. CONCLUSION AND RECOMMENDATION

The empirical analysis of the data for the 20 selected companied for the three years showed that in 2008 only MCM, LNTASSET and LNAUDEFEE have a significant impact on AUDLY while PRFT, INDT, INLNK and DRAT do not have any significant impact on AUDLY. In 2007, it was observed that the results were similar to that of 2008. However in 2006 only LNTASSETS has a significant impact on AUDLY while MCM, LNAUDFEE, PRFT, INDT, INLNK DRAT do not have a significant impact on AUDLY. The analysis of the pooled data showed that MCM, LNTASSETS and LNAUDFEE have a significant impact on AUDIT DELAY while PRFT, INDT, INLNK and DRAT do not have any significant impact on AUDLY.

A cursory perusal at the entire results revealed that the major determinants of audit delay in developing countries like Nigeria include multinational connections, the size of the firm and the audit fees paid to the auditors.

It is pathetic to note that most studies on audit delay and timeliness of corporate reporting left no recommendations for prior researches. In other to minimize or resolve contending issues in the audit delay literature, the following recommendations are put forward:

- Successive researches should involve more number of years and increased sample size of companies with active stocks on the stock exchange.
- If audit delay is to be reduced to the barest minimum in order to achieve the objective of timely availabilityof financial statements to afford the investors the opportunity of making timely decisions for the overall wellbeing of their portfolio, the Nigerian stock exchange, Security and Exchange Commission, the Financial Reporting Council, the Central Bank of Nigeria and other regulatory agencies should probe audit delay in Nigeria and formulate policies to enforce compliance.

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