

THE ASSOCIATION BETWEEN SELECTED CORPORATE GOVERNANCE ATTRIBUTES, COMPANY ATTRIBUTES AND TIMELINESS OF FINANCIAL REPORTING IN NIGERIA

Izilin Mavis Ibadin* Famous Izedonmi Peter Okoeguale Ibadin

Department of Accounting, University of Benin, Nigeria.

*Email of the corresponding Author - izilinibadin@yahoo.com

ABSTRACT

This study has been carried out to empirically examine 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. From the study, there appears to be evidence of an unusually long time lag made by Nigerian listed companies included in this study. The average total lag between the end of the year and the AGM is 193 days which equates to over six months for Nigerian companies. The study similarly tested for the relationship between board independence, board size, company size, leverage, profitability, audit firm size, audit delay and the timeliness of financial statements. Of all the variables examined, none of the variables were found to be statistically significant except for audit delay. Clearly from the study, we discovered that most of the companies on the NSE are not complying with the laid down stipulations guiding the submission of financial statements and as such it is highly recommended that the NSE, Securities and Exchange Commission (SEC), Financial Reporting Council (FRC), the Central Bank of Nigeria (CBN), and other regulatory agencies should put in place measures to ensure strict compliance with the laid down rules and regulations.

KEYWORDS: Corporate attributes, corporate governance, financial reporting and Timeliness.

1. INTRODUCTION

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 and Gelman; 2009).

The global financial crisis and recent corporate failures have ensured that corporate governance remains one of the most topical issues in the business world. The subject is a recurring central issue, with various governments and regulatory authorities making efforts to install stringent governance regimes to ensure the smooth running of corporate organizations, and prevent such failures.

Timeliness of financial statements as discussed by OECD, under the disclosure and transparency category is stated below:

"...the corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership and governance of the company. Disclosure should include, but not be limited to, material information on: the financial and operating results of the company... information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosure... channels for disseminating information should provide for equal, timely and cost efficient access to relevant information by users..." (OECD, 2004:22)

Although prior researchers have examined the relationship between corporate attributes and timeliness lag, little researches to our knowledge has been done in terms of board characteristics, corporate attributes and timeliness of financial reporting in the context of Nigeria. This provides the motivation for this study. Therefore, the main objective of this study is to attempt to contribute to the corpus of knowledge as regards the association between corporate governance, corporate attributes and the timeliness of financial reporting in Nigeria.

The remaining part of this paper is organized as follows: section two (2) describes the regulatory framework for timely reporting in Nigeria and a review of recent literature and hypothesis development, section three (3) describes the data and methodology used in this study and section four (4) reports the results of the study and finally, section five (5) contains the conclusion and recommendations.

2. REGULATORY FRAMEWORK FOR TIMELY REPORTING IN NIGERIA

Financial reporting timeliness is regulated by the following in Nigeria;

The Companies and Allied Matters Act (CAMA) of 2004 as amended which prescribes the format and

content of company financial statements and disclosure requirements in details. It is required that financial statements comply with the Statement of Accounting Standards (SAS) issued by the Nigerian Accounting Standards Board (NASB) and that the audit be carried out in accordance with generally accepted auditing standards. It furthermore requires the submission of audited financial statements to the Corporate Affairs Commission within 42 days of the annual general meeting and publication of audited financial statements by all public limited liability companies in at least one national daily newspaper.

Also, the Investments and Securities Act of 1999 provides that audited financial statements must be filed with the SEC, Nigerian Stock Exchange (NSE), and the Corporate Affairs Commission (CAC) and be approved by the Stock Exchange before publication in newspapers within three months after the year-end. The Investments and Securities Act requires every market participant to maintain accurate and adequate records of its affairs and transactions, but it does not specify the standards to follow in preparation of financial statements, as companies have to comply with CAMA requirement

The Banks and Other Financial Institutions Act (BOFIA) of 1991 contain provisions on financial reporting by banks in addition to CAMA requirements. The Banks Act requires banks to submit audited financial statements to the Central Bank of Nigeria for approval before publication in a national daily newspaper within four months of yearend. The governor of the Central Bank may order a special examination of a bank's books and affairs for any variety of reasons. Auditors of banks have a legal duty to report certain matters, including contraventions of legislation and irregularities, to the Central Bank.

Audited financial statements are required to be submitted to the National Insurance Commission within six (6) months of year end, and published in newspapers. Compliance with ICAN auditing standards is a legal requirement. In addition, the auditor is legally required to certify the solvency of the insurer and approve the margin of solvency required under the Act. The Act does not adequately provide mechanisms to enforce compliance, other than to state that the National Insurance Commission is responsible for the administration and enforcement of the provisions of the Nigerian Insurance Act.

2.1 REVIEW OF RELATED LITERATURE AND HYPOTHESIS DEVELOPMENT

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 – 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.

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.

Abdelsalam & 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.

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 & 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. Although audit committee independence and competencies have the expected negative relationship with audit lag, neither of the variables was found to be statistically significant.

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.

Iyoha (2012) examined the impact of company attributes on the timeliness of financial reports in Nigeria. Using a sample of 61 companies' reports for the years 1999 – 2008 and analyzed using Ordinary Least Squares (OLS) and complemented with panel data estimation technique. The results showed that the age of the company is the major determinant of timeliness in Nigeria. It was also discovered that there is a significant difference in the timeliness of financial reporting among industrial sectors of the economy and that the banking sector are timely in financial reporting.

Several corporate attributes and corporate governance variables which could impact the timeliness of financial reporting have been identified in prior researches. To investigate their impact on the timeliness of financial reporting in Nigeria, this paper focuses on the following attributes identified in prior literatures and are considered relevant to the Nigerian context – Board independence (BI), and Board Size (BS) where used as corporate governance variables while company size (TA), profitability (EPS), leverage (LEV) and audit firm size (AUD).

2.2 Board Independence

Independent non-executive directors with the right set of skill and which have no business which could interfere with the exercise of an independent judgment are viewed to better monitor management than inside directors. Therefore, because of their high degree of impartiality, they are believed to be willing to stand up to the CEO to protect the interests of all shareholders (Zaitul, 2010). Board independence is measured by dividing the number of non – executive directors by the board size (which is the number of board of director members).

Researchers such as Mohamad-Nor, Shafie & Wan-Hussin, (2010); Hashim & Rahman (2010) find a negative significant relationship between board independence and audit report lag, while Wu, Wu, Liu (2008) and Afify (2009) find a positive significant relationship between board independence and audit report lag.

H₁: Board independence is significantly associated with the timeliness of financial reporting.

2.3 Board Size

Board size is represented by the number of board of director's on the board of a listed company. Over time, one of the disadvantages associated with a large board size has been the problem with communication and coordination since the presence of a large board makes it difficult to monitor in comparison with a small board size because a large board creates less participation, is less organized, and is less able to reach an agreement. Wu, Wu & Liu (2008) finds a negative significant relationship between audit report lag and board size.

H₂: Board size is significantly associated with the timeliness of financial reporting.

2.4 Company Size

Audit delay has been identified as affecting timeliness. And an important determinant of audit delay itself is company size. The total assets of a particular company are commonly used to measure the size of a company. In some previous studies of audit delay, this variable was found to have a negative relationship with audit delay or timeliness.

Well informed scholars like Dyer & McHugh (1975); Courtis (1976); Davies and Whittred (1980); Givoly and Palmon (1982) and Owusu-Ansah (2000) have documented the existence of an inverse relationship between company size and timeliness of financial reporting. In contrast, Courtis (1976) Aston et al (1987), Abdulla (1996), found a significant relationship between company size and timeliness of financial reporting. Most of the studies used total assets as a proxy of company size (e.g. Aston et al, 1987 and Zaitul (2010).

H₃: Company size is significantly associated with the timeliness of financial reporting.

2.5 Profitability

Profitability as a variable has been used by several researchers to proxy audit delay. Profitability in the form of Earnings Per Share (EPS) and not in absolute sense is usually employed. Courtis (1976), Dyer and McHugh (1975) discovered a positive association between profitability and audit delay whereas Carslaw and Kaplan (1991) found a negative association between profitability and audit delay. Researchers have argued in favour of the fact that there exists a negative relationship between audit delay and profitability.

H₄: Profitability is significantly associated with the timeliness of financial reporting.

2.6 Leverage

There is no subsisting large company that does not carry some form of debt or the order in its capital structure. The degree of debt capital may vary. Along this line, Abdulla (1996) argues that the increase in the amount of debt a firm uses in its operations will exert pressure on them to provide the company's creditors with audited financial statements as at when due. Informed investors with sizeable equity holding especially institutional equity investors bother about this and tend to monitor the increased use of debt. Some researchers like Carslaw and Kaplan

(1991) and Abdulla (1996) have found in their separate studies the existence of a negative significant relationship between the debt- equity ratio and audit delay. Abdulla (1996) further stated that companies having more debt in their financial structure are likely to start and complete their audit faster than other firms' with less debt in their financial structure. This may be opened to a serious debate that highly geared companies have an incentive to complete audit work in order to have the auditors report to facilitate the monitoring of the companies operations and financial position by the creditors.

Carslaw and Kaplan (1991) suggest that auditing of a company with a high proportion of debt to total assets consumes more time than a company with a relatively low proportion of debt. A company with a high proportion of debt to total assets tends to be associated with financial distress and ultimately the greater likelihood of bankruptcy.

Al-Ajmi (2008) and Ismail & Chandler (2004) found a negative significant relationship between leverage of a company and timeliness in annual financial reports, Abdullah (2006) in his study found a positive association between timeliness of reporting and leverage in financial reports while Hossain & Taylor (1998) reported an inverse significant relationship, Ismail & Chandler (2003); Al-Ajmi (2008); reported a positive significant relationship. It is obvious from the above studies that the relationship between debt and timeliness of financial reporting is still inconclusive. It opens up ample research opportunities for us in Nigeria to make an input in this respect.

H₅: Leverage is significantly associated with the timeliness of financial reporting.

2.7 Audit Firm Size

Audit firms vary in sizes. Therefore, it is expected that the larger the audit firms, the greater the incentive to finish audit works, 'ceteris paribus', in fact this may be done primarily to maintain their reputation otherwise they might lose the chance of being the auditors of the client in subsequent years. For instance, Bamber, Bamber & Schoderbek (1993) investigated the length of time auditors require to complete the audit. This has to do with what is called audit report lag. They found that taking audit structure into account, the results from their study showed that greater structure generally tend to lead to longer audit report lags, but that accounting firms with greater structure also respond more quickly to unanticipated events. Hossain & Taylor (1998) however reported a negative significant relationship while Gilling (1977), Ahmad & Kamarudin (2001); Leventis, Weetman & Caramanis (2005); Che-Ahmad & Abidin (2008); and Turel (2010) all reported a positive significant relationship. Al-Ajmi (2008), Carslaw & Kaplan (1991); and Almosa & Alabbas (2007) found no evidence to support the effect of auditor type whether the Big four or non-Big four on timeliness.

H₆: Audit firm size is significantly associated with the timeliness of financial reporting.

2.8 AUDIT DELAY

Audit delay according to Bamber, Bamber & Schoderber (1993) is the number of days between a company's financial year end and the date of the auditors report. The relationship between audit delay and timeliness is yet to be ascertained.

H₇: Audit delay is significantly associated with the timeliness of financial reporting.

3. METHODS

3.1 DATA COLLECTION

The data set for this study is based on cross-sectional secondary data collected for the year 2010. The target population was made up of listed companies on the Nigerian Stock Exchange (NSE) as of September 2011. There were a total of 202 of listed companies on the NSE at this time. A sample of 118 listed companies was selected using convenience random sampling procedure.

3.2 MODEL DEVELOPMENT AND VARIABLES

Seven (7) variables; two representing the corporate governance variables and five (5) representing the corporate attributes variables have been selected in order to evaluate their association with the timeliness of financial reporting in Nigeria. In estimating the relationship between the corporate governance variables, corporate attributes variables and timeliness of financial reporting, we used the Ordinary Least Square (OLS) estimation technique. The relationship between timeliness, corporate governance and corporate attributes can be written in functional form as follows;

$$TD = f(\text{CORPGOV}, \text{CORPATR})$$

Where:

TD = Total Delay

CORPGOV = Corporate governance mechanisms

CORPATR = Corporate attributes

Further more broken down the further form;

$$TD = f(\text{BI}, \text{BS}, \text{TA}, \text{EPS}, \text{LEV}, \text{AUD}, \text{AD}).$$

Where;

BI = Board Independence

BS = Board Size
 TA = Total Asset
 EPS = Earnings Per Share
 LEV = Leverage
 AUD = Audit Firm Size
 AD = Audit Delay

The multiple regression with an error term (U_i) is express in the below equation
 $TD = \alpha_0 + \beta_1 BI + \beta_2 BS + \beta_3 TA + \beta_4 EPS + \beta_5 LEV + \beta_6 AUD + \beta_7 AD + U_i$

Table 1: Definition of Variables and Expected Signs

VARIABLES	CORPORATE GOVERNANCE AND CORPORATE ATTRIBUTES	EXPLANATION	APRIORI SIGN
TD	Total Delay	Number of days from the fiscal year end to the date the notice of the Annual General Meeting (AGM) was signed.	Dependent variable
CORPORATE GOVERNANCE MECHANISMS			
BI	Board independence	Number of non Executive directors divided by the board size	Negative (-)
BS	Board size	Number of board of director members.	+
CORPORATE ATTRIBUTES			
TA	Size of the company	Log of total assets of the company at the balance sheet date.	Negative (-)
EPS	Profitability of the company	Earnings Per Share (EPS) of the company.	Negative (-)
LEV	Leverage	Total liability divided by shareholders equity at the end of the year.	Positive (+)
AUD	Audit firm size	Big 4 audit firms operationalized as "1" otherwise "0".	Negative (-)
AD	Audit Delay	Number of days from the fiscal year end to the date of the audit report.	+

Source: Researchers compilation (2012)

4. UNIVARIATE ANALYSIS (DESCRIPTIVE ANALYSIS)

Table 2: Descriptive Statistics for All firms

	AD	BS	EXEDIR	NONEXEC	TD
Mean	111.0424	11.25424	3.737288	7.550847	193.0339
Median	103.5	11	3	8	196
Maximum	239	18	11	14	465
Minimum	47	6	0	0	75
Std. Dev.	41.79833	2.770993	2.254826	3.025808	59.49889

Source: E-Views 7.0 output

The minimum total delay of firms quoted on the Nigerian stock exchange is about 75days while the maximum total delay is 465days. On average the Total Delay is about 193days. The minimum audit delay of firms quoted on the Nigerian stock exchange is about 47days while the maximum audit delay is 239 days. On the average, the audit delay of firms quoted on the Stock exchange is about 111days. The minimum board size is 6 while the maximum board size is 18. On average the board size is 11. The minimum non-executive director is 0 while the maximum non- executive directors is 14. On average the non-executive director is 8. The minimum executive director is 0 while the maximum executive director is 11. On average the executive directors is 4.

4.1 MULTIVARIATE ANALYSIS

In testing the hypotheses, OLS regression was carried out on the corporate governance variable (Board independence, and Board Size), corporate attributes (company size, profitability, leverage and audit firm size and Audit delay) which represents the independent variables and timeliness as the dependent variable. The results are presented in the table below.

Table 3: Examination results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	114.1983	45.93442	2.486116	0.0144
AD	0.752991	0.115987	6.492056	0.0000
BS	-1.034415	1.849588	-0.559268	0.5771
BI	-41.68611	24.42369	-1.706790	0.0907
EPS	0.003138	0.004906	0.639577	0.5238
LEV	5.358990	9.478731	0.565370	0.5730
TA	1.858467	2.013068	0.923201	0.3580
AUD	5.557695	10.21079	0.544296	0.5874
AR(1)	-0.060587	0.101853	-0.594844	0.5532
R-squared	0.355471	Mean dependent var		193.3846
Adjusted R-squared	0.307728	S.D. dependent var		59.63218
S.E. of regression	49.61568	Akaike info criterion		10.72029
Sum squared resid	265865.3	Schwarz criterion		10.93277
Log likelihood	-618.1372	F-statistic		7.445539
Durbin-Watson stat	2.005672	Prob(F-statistic)		0.000000

Source: E-Views 7.0 output

The coefficient of determination (R-Square) with a value of 0.35 means that about 35% of the total systematic variations in the dependent variable (TD), have been explained by the explanatory variables taken together. The Adjusted R-square shows that even after adjusting for the degree of freedom the model could only explain about 30% of the total systematic variations in TD. This indicates that there are other factors that account for the timeliness of financial statements in the Nigerian stock exchange which has been captured by the stochastic disturbance term in the model.

On the basis of the overall statistical significance of the model as indicated by the F-statistics, it was observed that the overall model was statistically significant since the calculated F- value of 7.44 was greater than the critical F-value of 5.2 at 5% level of significance. This shows that there exist a significant linear relationship between the dependent variable (TD) and all the explanatory variables taken together. The Durbin Watson statistics of 2.00 indicates the absence of first order autocorrelation of the stochastic variables inside the error term in the model.

On the basis of the individual statistical significance, as shown by the t-ratios in the table above, it was observed that only Audit Delay is the most significant factor that affects the timeliness of financial statements on the Nigerian stock exchange. Since AD calculated t-value of 6.49 was greater than the critical t-value of 2 at 5% level of significance under the two tailed test. Again, BI was statistically significant at 10% level, which means that corporate governance attributes rather than corporate attributes have a significant impact on the timeliness of financial statements in the Nigerian stock exchange.

4.2 DISCUSSION OF RESULTS

The findings of the paper are as follows;

Board independence was found to be insignificantly associated with the timeliness of financial reporting at 1.7 is less than the critical t-value of 2.0 at 5% level of significance under the two tailed test. This agrees with the findings of Mohamad-Nor, Shafie & Wan-Hussin (2010) and Hashim & Rahman (2010). This implies that the presence of an independent board, with the right set of skills and who have no relationship with the company is not in a better position to ensure that the interest of the shareholders are protected and to make sure that financial statements are made readily available to aid decision making.

Board size was found to be insignificantly associated with the timeliness of financial reporting at -0.55 is less than the critical t-value of 2.0 at 5% level of significance under the two tailed test. This finding is consistent with Wu, Wu & Liu (2008). This implies that a large board can not affect the timeliness of financial reporting as a large board will influence communication with the external auditor and thus increases the time taken to complete the audit and hence the longer the timeliness will be. This however can not be said for a small board as it will make communication with the auditor faster.

Company size was found to be insignificantly associated with the timeliness of financial reporting at 0.92 is less than the calculated t-value of 2.0 at 5% level of significance under the two tailed test. This finding is consistent

with the findings of Dyer & McHugh (1975); Courtis (1976); Davies and Whittred (1980); Givoly and Palmon (1982) and Owusu-Ansah (2000). This implies that larger companies tend to report earlier than the smaller companies because they may have stronger internal control systems, they may also have resources to pay relatively high audit fees compared to small companies hence their financial statements are audited faster.

Profitability was found to be insignificantly associated with the timeliness of financial reporting at 0.63 is less than the calculated t-value of 2.0 at 5% level of significance under the two tailed test. This finding is consistent with the findings of Courtis (1976); Hossain & Taylor (1998); Almosa & Alabbas (2007). This implies that profitable companies are likely to present their financial statements earlier than less profitable companies. This is so, because of the good news associated with reporting a profit than a loss. Thus, companies reporting a loss are likely to delay presenting their financial statements because of the bad news and the effect the bad news will have on their shareholders.

Leverage was found to be insignificantly associated with the timeliness of financial reporting at 0.56 is less than the calculated t-value of 2.0 at 5% level of significance under the two tailed test. This finding is consistent with the finding of Hossain & Taylor (1998). This implies that companies reporting more debt to equity in their capital structure are more likely to present their financial statements on time because of the need to provide the creditors with audited financial statements as at when due.

Audit firm size was found to be insignificantly associated with the timeliness of financial reporting at -0.544 is less than the calculated t-value of 2.0 at 5% level of significance under the two tailed test. This finding is consistent with the finding of Hossain & Taylor (1998). This implies that financial statements audited by the big 4 auditing companies are more likely to be completed early because of their size, the need to maintain their reputation and the availability of personnel's to carry out the audit function.

Audit delay and the timeliness of financial reporting was found to be significantly associated with the timeliness of financial reporting at 6.49 is more than the calculated t-value of 2.0 at 5% level of significance under the two tailed test.

5. SUMMARY AND CONCLUDING REMARKS

One measure of transparency and quality of financial reporting is timeliness. Transparency from a user perspective can be divided into the following nine components; accuracy, consistency, appropriateness, completeness, clarity, timeliness, convenience, governance and enforcement by Kulzickt (2004) as cited in Zaitul (2010). The study attempts to study the association between corporate governance variables, corporate attributes and the timeliness of financial reporting in Nigeria. A sample of 118 companies from the listed companies on the Nigerian Stock Exchange (NSE) for 2010 was selected. The study depended on the use of descriptive statistics and the Ordinary Least Square (OLS) regression analysis. Firstly, there appears to be evidence of an unusually long time lag made by Nigerian listed companies included in this study. The average total lag between the end of the year and the AGM is 193 days for Nigerian companies. The study also tested for the relationship between board independence, board size, company size, leverage, profitability and audit firm size and the timeliness of financial statements. Of all the variables examined, none of the variables were found to be statistically significant except for audit delay.

In achieving the reduction of the timeliness to the barest minimum, and in achieving the objective of making the financial statements readily available for making timely decisions, the Nigerian stock exchange, securities and exchange commission, the Financial Reporting council, the Central Bank of Nigeria and other regulatory bodies should put in place measures to ensure strict compliance with the laid down rules and regulations and also, the it was discovered that the time lag prescribed by the regulatory bodies are usually too much thus encouraging companies to engage in the act of delaying their financial statements. Also, companies should put in place measures of reducing the time lag between the financial year end and the Annual General Meeting (AGM). In order to boost the confidence the financial statement users have in using financial statements for decision making. Companies should however consider the cost and the benefit of timely disclosure.

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