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CORPORATE GOVERNANCE CHARACTERISTICS AND TIMELINESS OF FINANCIAL REPORTING IN NIGERIA

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Abstract
Many studies have appeared in recent years concerning corporate governance characteristics and timeliness of financial reporting in some developed and developing economies. While many of those studies have provided empirical evidence supporting corporate governance characteristics and timeliness of financial reporting. There are extensive studies on corporate governance characteristics and timeliness of financial reporting in developed economies. In

contrast, there is a dearth of research on the subject in developing economies (e.g. Nigeria). The present study empirically examined the corporate governance characteristics and timeliness of financial reporting in Nigeria. Secondary data were used for the study and the data were sourced from annual reports of 18 companies listed on the Nigerian stock exchange (NSE) as at 31st December, 2018. In determining the dependent variable, financial reporting time lag was used while board size, board independence and audit committee independence was used to examine corporate governance characteristics. The study utilized panel data analysis with the application of ordinary least square (OLS) regression to test the hypotheses and to ascertain the significant relationship between board size, board independence, audit committee independence and timeliness of financial reporting of listed companies in Nigeria. The findings revealed a significant positive relationship between, board size, board independence, audit committee independence and timeliness of financial reporting of listed companies in Nigeria. The study, therefore, recommends that listed companies in Nigeria should ensure that their corporate governance activities enhance timeliness of financial reporting.

Keywords: Agency theory, board independence, corporate governance, firm size, timeliness of financial reporting

INTRODUCTION

The adverse effect of financial reporting timeliness has become a continuous issue in both emerging and advanced countries (Dardor, 2009). This concern arises mainly from the risk caused by the effect of financial reporting time lag on the financial reporting quality. Various activities (such as corporate governance mechanism)have been taken towards the protection of stakeholders from global financial crisis and corporate failures (such as insider trading and information asymmetric) (Ibadin, Izedonmi & Ibadin, 2012). As a result of the consideration for financial reporting quality, thus, financial reporting quality emerged to the concern for the relationship between the corporate entities and the stakeholders (Appah & Emeh, 2013).

In view of this growing concern, corporate entities have been looking for ways of minimizing the impact of time lag on the financial reporting through the presentation of timely financial reporting quality (Shukeri & Islam, 2012). This has, therefore increased research study on financial reporting quality (Aktas & Kargin, 2011; Okaiwele, 2018). However, Abdesalam and Street (2007) and Dongan, Coskun and Celik (2007) argues that timely financial reporting does not always serve the interest of the users of financial statement, but serve the interest managers when carry out their managerial duties. Hence, an increase in the timeliness reporting gap exists. Consequently, the decision to present or not to present timely financial statement is mostly depend on corporate governance characteristics such as board size, board independence, audit committee independence and other corporate governance attributes (Uwuigbe, Felix, Uwuigbe, Teddy & Irene, 2018).

Similarly, corporate governance is factors that influence the timeliness of financial reporting presented by management (Oraka, Okoye & Ezeejiofor, 2019). As a result, timeliness of financial reporting can be considered as one of the attributes of financial statement which forms essential part of financial reporting quality. Ho and Wong (2001) opine that the increase in financial reporting timeliness for achieving financial reporting quality is in line with the corporate governance procedure and regulation. This means that there is the relationship between timeliness of financial reporting and corporate governance characteristics for better financial reporting quality.

In addition to the increasing need for financial reporting quality, research on corporate governance characteristics and timeliness of financial reporting has been dominated by studies carried out in advanced countries (Davies & Whiittred, 1980; OECD, 2004; McGee & Yuan, 2011; Mohamad, Shafie & Wan-Hussin, 2010; Omar & Ahmed, 2016), the same is not true of developing countries, Nigeria particular where most of the studies centered only on corporate governance and did not focus on corporate governance characteristics (Owusu-Ansah, 2000; Akle, 2012; Efobi & Okougbo, 2015; Joseph & Ahamed, 2017). However, there have been various studies in developed and other developing countries to examine whether there is significant relationship between corporate governance characteristics and timeliness of financial reporting. However, the findings are mixed and inconsistent (Turel, 2010; Appah & Emeh, 2013; Asuquo, Imobhio & Izedonmi, 2015; Akogo, Mgbame & Ogaide, 2015; Uwuigbe *et al.,* 2018).

Furthermore, most extant literature in Nigeria is yet to focus on some specific corporate governance characteristics (like board size, board independence, audit committee independence) influencing timeliness of financial reporting that are found significant in both developed and developing countries (Joseph & Ahamed, 2017; Okaiwele, 2018; Oraka *et al*., 2019). Hence, a gap occurs as a result of deficiency corporate governance mechanism.

In view of this, corporate governance mechanism deficiencies, the study basically investigated whether a statistical significant relationship exists between corporate governance characteristics and timeliness of financial reporting of listed companies in Nigeria. To achieve this objective, the study limits its corporate governance characteristics to board size, board independence and audit committee independence. In addition, firm size was consider as a control variable, while timeliness of financial reporting was measured by the number of days between a firm's fiscal year end and the date of the auditor's report.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Conceptual Framework

Timeliness of Financial Reporting

The extant literature on financial reporting timeliness such as (Dongan, 2007; Dardor, 2009; Turel, 2010; Oladipupo & Ilaboya, 2013) seen timeliness as the period between the end of fiscal year and the date of the audit report. Emeh and Appah (2013) and Okaiwele (2018) opine that timely financial reporting is a good sign for healthy financial market. Ibadin, Izedonmi and Ibadin (2012) argue that timely financial reporting assist in efficient and allocation of financial resources by reducing information asymmetric and enhancing share price and mitigating against insider trading and market leaks (Ahmed, 2003; Iyoha, 2012). The need for timely financial reporting is a paramount to develop and developing countries as most countries of the world regulate the timing of annual financial statements and reports of listed entities. However, the bases for these regulations differ from country to country. In the United Kingdom financial reporting timing regulation is based on the market value of equity, in United State of America, it's based on financial reporting nature. While in the Nigeria and some other countries (such as Turkey, France, China, Asia) the regulation basis is by the sectors of the economy such as financial and non- financial sector. Nigeria as a country , has taking statutory provision (such as Bank and Other Financial Institution Act, 2003; Central Bank of Nigeria guideline 2004; Company Allied Matter Act 2004; Nigeria Deposit Insurance Corporation, 2011, and Security and Exchange Commission Act, International Accounting Standard Board conceptual framework) into consideration on financial reporting timing. Oladipupo and Dabor (2013) and Okaiwele (2018) asserted that financial sectors have 120 days while non-financial sectors have 183 days after their annual financial year end to publish their financial reporting.

Corporate Governance Characteristics

The principles of corporate governance practices as highlighted in the works of (Oyejide & Soyibo, 2001; Oghojafora, Olayemia, Okonja, & Okolie 2010; Adeoye, 2015) were motivated partly by the desires and needs of shareholders to exercise their rights of ownership and enhance value of shares and maximize wealth as well as to guide against corporate failure or systemic crisis. Attention on corporate governance practices by modern day organizations was increased by shareholders and regulatory institutions around the world since early 2001 as a result of the collapse of great corporate organizations like Enron Corporation, Parmalat, Xerox, Tyco, and WorldCom among others. To curtail this current wave of corporate failure the US government instituted in 2002 the Sarbanes Oxley act, while the Australian government passed the Clerp 9 reform after the demise HH and one tel. The Nigerian Security and Exchange

Commission (SEC) followed suit by issuing the Code of Best Practices of Corporate Governance in 2003, and later reviewed in 2008 to strengthen corporate governance practices in Nigeria. Good corporate governance practices are crucial for the enhancement of various stakeholders' confidence and attracting investors for the purpose of enhancing the firm. In effect, it refers to rules and regulations enacted to guide operation of the firm for the interest of disperse shareholders.

Academic authorities and practice defined corporate governance in different ways. Liu, Harris, and Omar (2013) defined corporate governance as an internal mechanisms designed to enhance shareholders interest and facilitate managers to be transparent and accountable on issues related to companies' operations as well as decision makings. Shuker and MdAminul (2012) defined corporate governance as a kind of structure put in place by firms upon which they are controlled and directed to promote perpetuity of the organisation, which is the sole concern of the management and the board of directors. Cadbury (1992) defines corporate governance in terms of controls, financial or otherwise which ensure the firm is directed in the right way and towards the right direction. Okaiwele (2018) in its studies sees corporate governance as a set of rules that have effect .on the expectations about the exercises of control of resources in a company.

Momoh and Ukpong (2013) viewing from a business perspective sees corporate governance as a set of systems targeted at making corporate managers to be transparent, responsible and credible in discharge of tasks in the best interest of the firm and stakeholders. Corporate governance characteristics entail several issues in connection with the firm's board or management. These include: Board size; Board independence; and Audit committee independence.

Theoretical Framework

This study adopts the agency theory as a framework for this research because it gives insight into the agent behavior and the agent-principal relationship. Manager (agent) in playing their role of presenting timely financial information to the shareholders (principal) and other stakeholders may delay and give misleading information mainly due to their selfish gains. The issue of corporate governance arose from the activities of managers or agents in sharp practices, which usually are not in the principals (owners of the business) interest. Over time, situations have risen where the directors do not take action in shareholders' best interest. This problem forms the core issue which agency theory addresses. This problem arises because of the disassociation of the control of a firm from ownership of such firm; hence the directors control the firm while the shareholders are the owners. This arrangement invariably gives rise to a conflict of interest amongst principal (i.e. shareholders) and agent (i.e. managers). This conflict of interest is the foremost problem that the principle of corporate governance intends to address. Companies should, therefore, seek to limit this principal-agent problem through a solid and effective corporate governance mechanism. Corporate governance mechanisms can be used to check and monitor the activities and operations of the agent (i.e. managers), thereby ensuring that they are in line with the principals' interests. This enables the owners to overcome the issues of lack of credible information. This study focused on corporate governance mechanisms like board size, board independence, audit committee independence and their various effects on the timeliness of financial reports.

Review of Empirical Studies and Hypotheses Development

This subsection presents a critical review of several studies carried out on the corporate governance attributes and timeliness of financial reporting. This study reviews related studies based on individual variables. These variables were individually discussed below include board size, board independence and audit committee independence.

Board size and Timeliness of Financial Reporting

Nauman (2013) noted that board size referred to total combination of members that constituted the board either executive or non-executive directors. Laksmana (2008) posited that size of the firm dictates the level of dominancy of the firm's management. Furthermore, larger board size attracts multiplicity of skills and expertise in the board in financial and managerial terms. Stefanescu (2013) stated that this board attribute was extremely seen as a proxy for corporate governance. In addition, where there is no authorized fixed board membership size by any corporate governance codes, the best case is to recommend any reasonable minimum and maximum require number.

Empirical studies carried out by Appah and Emeh (2013) using board size as one of corporate governance characteristics revealed positive association between board size and timeliness of financial reporting. Okiawele (2018) did a study on the association between corporate governance characteristics and timeliness of financial reporting and found that there is a negative relationship between board size and timeliness of financial reporting. Muhamed-Nor, Shafie and Wan-Hussin (2010) in the study carried out using samples from Malaysia; the studies found that board size have a significant relationship with timeliness of financial reporting. While Turel (2010) found that as board size increases, timeliness of financial reporting decreases. Nauinan (2013) posits that larger boards have the tendency to improve timeliness of financial reporting because of the collective experience and expertise, which can aid better decision making.

H_1: There is no significant relationship between board size and timeliness of financial reporting of listed companies in Nigeria

Board independence and Timeliness of Financial Reporting

Board, independence is one of the main characteristics of good corporate governance. In terms of agency problem situation, presence of non-executive directors helped to monitor and control selfish interest of management (Jensen & Meckling, 1976). According to Stefanescu (2013) the board independence is a means designed to assist and resolve challenges that exist with managers and owners due to separation of ownership from control which is attributed to information asymmetry. Presence of great numbers of non-executive directors on the board can help to check activities of management especially in areas of opportunistic behaviour. Non-executive outside directors who are less united to management can be instrumental in encouraging firms in disclosing more vital information to disperse investors. This is due to the fact that they are not employees, but independent who represents interest of many stakeholders or shareholders of the firm.

The empirical studies on board independence and timeliness of financial reporting revealed mixed results, Shukeri and Islam (2012) explained that greater board independence is associated positively with timeliness of financial reporting, increased monitoring, control, transparency and integrity of information disclosed. Extant studies of Lee and Jahng, (2008) revealed a positive relationship between board independence and timeliness of financial reporting. In contrary, some studies claimed that board independence has no relationship with timeliness of financial reporting (Ahmed, 2003). Modugu, Eragbhe and Ikhatua (2012) established negative significant relationship between board independence and timeliness of financial reporting. Oladipupo and Dabor (2013) found that board independence does not enhance timeliness financial reporting of listed companies in Nigeria.

Therefore, the existence of board independence is being considered as a determinant of timeliness financial reporting. Hence, the following hypothesis is examined:

H_2: There is no significant relationship between board independence and timeliness of financial reporting of listed companies in Nigeria.

Audit Committee Independence and Timeliness of Financial Reporting

The nature and quality of membership of audit committee is a major constraint in the performance of the committee. Hence, the independence of an audit committee is considered as a vital characteristic influencing the committee's efficiency in managing the process of financial statements (Baxter & Cotter 2009). An audit committee should be independent from management in order to be able to conduct effective monitoring, resulting in less opportunistic management behaviour, such as lag in the reporting architecture (Emeh & Appah, 2013). One of the objectives of the audit committee is to give an unbiased review on financial information and Audit Committee Independence contribute to the timeliness of financial reporting (Mohamad-Nor, Shafie & Wan-Hussin, 2010; Hashim & Abdul Rahman, 2011). Ofo (2010) argued that for audit committee to be independent, the directors on the committee need not be just non-executive directors but independent non-executive directors.

Many prior studies have pin-pointed audit committee independence as a pre-requisite for audit committee effectiveness and related it to financial reporting quality Oraka *et al.,* (2019) found a positive relationship between audit committee independence and timeliness of financial reporting. In the same vein, Uwuigbe *et al.,* (2018) revealed that audit committee independence can assist in reducing the level of earnings management. On the contrary, Emeh and Appah (2013) disclosed a significant positive relationship between audit committee independence and financial reporting timeliness. This implied that firms with more audit committee independence have higher financial reporting timeliness. McGee and Yuan (2011) and Abdesalam and El-Masry (2008) and Dye (2018) employed content analysis of the annual reports and regression analysis to identify the effect of audit committee independence on timeliness of financial reporting of listed companies on US Security Exchange. The results showed that the extent of financial reporting timeliness is influenced by audit committee independence.

Apadore and Noor (2013) conducted a study on audit committee independence and timeliness of financial reporting. The result has shown a positive and insignificant relationship between audit committee independence and timeliness of financial reporting. Based on the above results, the following hypothesis was proposed:

H_3: There is no significant relationship between audit committee independence and timeliness of financial reporting of listed companies in Nigeria.

Firm Size

This study also considered the effect of control variable namely, firm size when investigating the corporate governance characteristics and timeliness of financial reporting relationship. The control variable was briefly described as follows: Using firm size as the control variable in this study is motivated by the fact that it has been found to be associated with companies with different corporate governance characteristics Iyoha (2012) and Turel (2010), argued that large firms with more resources are likely to have their financial statements and reports audited and published faster than smaller firms.

METHODOLOGY

The study examines the effect of corporate governance characteristics on the timeliness of financial reporting in Nigeria. To achieve this objective, the study use secondary method of data collection from the annual reports and corporate website of listed companies in Nigeria. The secondary data were obtained from annual reports of listed companies at various offices of the Nigeria stock exchange (NSE) and via the internet. Data gathered from those companies were from 2014 to 2018 financial year. The financial year of 2014 to 2018 was used due to the heightened interest and increased financial reporting time lag awareness noticed within these period.

The population of this study is made up of all 180 listed companies on the Nigeria stock exchange (NSE) as at 31st December, 2018 which are classified into seven sector in line with the current Nigeria Stock Exchange (NSE) sectoral classification of companies. The sector include: Basic materials and industrials (40 companies); Consumer goods (31 companies); Consumer services (13 companies); Financial (61 companies); Healthcare (11 companies); Oil and Gas (15 companies) and Technology and Telecommunication (9 companies). The sample size used for this research study was 18 selected listed companies in Nigeria. The sample size was arrived using convenience and purposive sampling techniques. The techniques was adopted to enabled the study accessed companies in each sectoral classification by employed John Curry rule of thumb (Youth, 2006) which is presented in table below:

Table 1: John Curry rule of thumb

Population Size	Sampling Percent
0-100	100%
101-1,000	10%
1,001-5,000	5%
5,001-10,000	3%
10,000+	1%

Table 2: Sample Size Determination:

S/N	Sector	NO of Companies	Proportion (%)	No of Companies Sampled
1	Industrial	40	22.2	4
2	Consumer Goods	31	17.2	3
3	Consumer Service	13	7.2	1
4	Financial	61	34	6
5	Healthcare	11	16.1	1
6	Oil & Gas	15	8.3	2
7	Tech & Tel.	9	5	1
	Total	180	100	18

Source: Authors' Computation (2020)

Furthermore, a panel least square regression analysis was adopted. The choice of a panel least square regression analysis is as a result of frequently used in prior studies for analyzing the impact of corporate governance characteristics on timeliness of financial reporting (Emeh & Appah, 2013). In addition, it helps to account for individual heterogeneity of sample companies (Shukeri & Islam, 2013).

Model Specification

To measuring the relationship between corporate governance characteristics and timeliness of financial reporting, an econometric model was adapted from the prior studies of Asuquo, Imobhio and Izedonmi (2015). The relationship between the dependent and independent variables is written in functional form as follows:

TFR = f (BS, BI, ACI, FS)…………………………………………………………………. (1)

This can be re-specified in an econometric form thus:

$TFR_{it} = \beta_0 + \beta_1 BS_{it} + \beta_2 BI_{it} + \beta_3 ACI_{it} + \beta_4 FS_{it} + \mu_{it}$…………………………………………… (2)

Where;

TFR= Timeliness of Financial Reporting (measured by the numbers of days between a firm's fiscal year end and the date of the auditor's report). BS = Board Size (measured by the total number of member on the board). BI = Board Independence (measured by the Proportion of non-executive director to the total board). ACI = Audit Committee Independence (measured by the Proportion of independent non-executive directors on audit committee) and control variable FS = Firm Size (measured by the natural log of total assets of company). β_0 =

Intercept of the regression line, regarded as constant. β_{1-4}= Coefficient of the independent and control variables. μ= Error term that represent other independent variable. 't' = year or period and *i* =company.

The model above captured timeliness of financial reporting (TFR) as dependent variable while corporate governance characteristics board size (BS), board independence (BI), audit committee independence (ACI) as independent variables and firm size (FS) as a control variable.

FINDINGS AND DISCUSSION

This section deals with the presentation, analysis and interpretation of the data collected and processed for the purpose of testing empirically, the model of the study. Panel least square regression analysis is used to estimate the relationship between the independent variables (Board size, Board independence, and Audit committee independence), control variable (Firm size) and the dependent variable (Timeliness of financial reporting) for listed companies.

Table 1: Result of Descriptive Statistics of the Variable

	TFR	BS	BI	ACI	FS
Mean	75.65556	11.30000	0.625111	0.477333	965098.1
Median	79.00000	12.00000	0.630000	0.500000	146996.0
Maximum	293.0000	16.00000	0.880000	0.670000	5955710.
Minimum	30.00000	6.000000	0.440000	0.170000	3081.000
Std. Dev.	29.37405	2.798274	0.115459	0.076346	1434497.
Skewness	0.291073	-0.100369	0.430394	-0.108454	1.798046
Kurtosis	2.56803	1.860804	2.248811	3.312354	5.399741
Jarque-Bera	4013.226	5.017732	4.894651	59.57388	70.08991
Probability	0.000000	0.031360	0.036525	0.000000	0.000000
Sum	6809.000	1017.000	56.26000	42.96000	86858833
Sum Sq. Dev.	76792.32	696.9000	1.186449	0.518760	1.83E+14
Observations	90	90	90	90	90

Source: Authors' Computation from E-view 9.5

The descriptive statistics of the corporate governance and timeliness of financial reporting. The mean of the data displayed the level of consistency as they fall between the minimum and maximum scores.. Thus, the corporate governance and timeliness of financial reporting stood at a mean value of scores 75.656. The standard deviation measuring the spread of the distribution stood at a value of 29.37 while the Jarque-Bera statistics stood at 4013.22 with a p-value of 0.00. The skewness and kurtosis statistics of the variables were normally distributed as they are close to zero skewness and kurtosis of ±3 respectively. Hence, the variables are normally distributed.

Table 2: Correlation matrix between the variables

Variables	TFR	BS	BI	ACI	FS
TFR	1.000000				
BS	0.136655	1.000000			
BI	0.061782	-0.184943	1.000000		
ACI	0.344617	0.245717	-0.258211	1.000000	
FS	-0.238879	0.576474	-0.484302	0.134045	1.000000

Source: Authors' Computation from E-view 9.5

Table 2 shows Pearson correlation matrix for the variables as contained in the analysis. The correlation coefficients show a relationship between corporate governance and timeliness of financial reporting in Nigeria as contained in the analysis. The significant relationship is at 95% confidence level.

Results demonstrated a significant relationship between corporate governance and timeliness of financial reporting. The correlation coefficients also showed a positive relationship between timeliness of financial reporting (TFR) and board size (BS), board independence (BI), audit committee independence (ACI) but a negative relationship between firm size (FS). Hence, most of these results are in conformity with the hypotheses with regard to the relationship between tax corporate governance and timeliness of financial reporting. Hence, there is no problem about correlation as the correlation coefficients were less than 0.8 (Gujarati, 2003). This implies the absence of multi-collinearity.

Table 3: Panel Least Square Regression result for the hypotheses

Dependent Variable: TFR
Method: Panel Least Squares
Date: 12/02/19 Time: 03:42
Sample: 2014 2018
Periods included: 5
Cross-sections included: 18
Total panel (balanced) observations: 90

Table 3…

Variable	Coefficient	Std. Error	t-Statistic	Prob.
BS	1.275192	1.309956	0.973462	0.0331
BI	45.78670	29.75134	1.538980	0.0275
ACI	144.1174	40.25711	3.579923	0.0006
FS	-7.08E-06	2.81E-06	-2.522669	0.0135
C	165.4946	30.13540	5.491702	0.0000
R-squared	0.683984	Mean dependent var		75.65556
Adjusted R-squared	0.645584	S.D. dependent var		29.37405
S.E. of regression	27.15180	Akaike info criterion		9.494717
Sum squared resid	62663.73	Schwarz criterion		9.633595
Log likelihood	-422.2622	Hannan-Quinn criter.		9.550720
F-statistic	4.791171	Durbin-Watson stat		1.957184
Prob(F-statistic)	0.001558			

Source: Authors' Computation from E-view 9.5

Table 3 show that the Durbin Watson statistics of 1.96 shows the absence of autocorrelation or serial correlation between the variables as the coefficient is approximately 2. The various hypotheses formulated and tested in this section. The decision rule is that if the calculated P-value is lower than 5% significant level, the alternate hypothesis is accepted and the null hypothesis is rejected. The restatement of the hypotheses and their results are as follows:

The findings in respect of hypothesis one (H_1) is in accordance with expectation, as it exhibited a significant positive relationship. The result showed that the P-value of (0.033) and t-statistic of (0.973) was lower than the 5% significant level. Hence, the result supported the acceptance of the alternative hypothesis as against the null hypothesis. This indicates that an increase in board size leads to improvement in the timeliness of financial reporting of listed companies in Nigeria. The result is consistent with the studies conducted by Appah and Emah (2013); Mahumed-Nor et al., (2010) and Nauman (2013) However, the result contradicts the work of Okiawele (2018) and Turel (2010) where board size has an insignificant negative relationship with the level of timeliness of financial reporting.

However, the findings from hypothesis two revealed a significant positive relationship between board independence and timeliness of financial reporting of listed companies in Nigeria. The result evident in the P-values (0.028) and t-statistics (1.539) respectively that is lower than 5% significant level. Hence, the result supported the acceptance of the alternative hypothesis as against the null hypothesis. This indicates that board independence has a significant positive relationship with timeliness of financial reporting of listed companies in Nigeria. The result is in agreement with the works of Shukeri and Islam (2012); Lee and Jahang (2008); Modugu *et al.,* (2012); and Oladipupo and Darbor (2013).

Similarly, results from hypothesis three (H_3) reveals a significant positive relationship between audit committee independence and timeliness of financial reporting of listed companies in Nigeria. The result showed that the P- value of 0.001 and t-statistic of 3.580 was lower than the 5% significant level. Thus, the result supported the acceptance of the alternate hypothesis as against the null hypothesis. This indicates that an increase in audit committee independence would result in the enhancement of timeliness of financial reporting of listed companies in Nigeria. The result is in agreement with the works of Appah and Emeh (2013); Apardore and Noor (2013) where audit committee independence has a significant positive relationship with timeliness financial reporting. In contrast, the result contradicts the work of McGee and Yuan (2011) and Abdesalam and El-Masry (2008) and Dye (2018), where audit committee independence has a negative relationship with timeliness.

For the control variables, Firm Size revealed a negative insignificant relationship with timeliness of financial reporting. This implies that large firms with more resources are likely to have their financial statements and reports audited and published faster than smaller firms. This finding is in support with the results of studies of Iyoha (2012) and Turel (2010). A negative significant relationship was disclosed between firm size and timeliness of financial reports in the studies of Lee and Jahng (2008); Shukeri and Islam (2012); Ibadin, Izedonmi and Ibadin (2012); Apadore and Noor (2013).

CONCLUSION AND RECOMMENDATIONS

This paper examined the influence of corporate governance characteristics on the timeliness of financial reporting in Nigeria. The corporate governance mechanisms used in this study include board size, board independence and audit committee independence. From the analysis and finding above, it was observed that corporate governance has a positive significant influence on the timeliness of financial reports. The study concludes that larger boards become more competent, because they tend to aggravate good decision making and speed-up the decision-making process. Furthermore, the study concludes that the inclusion of non-executive directors in the board of directors tend to offer an equitable contribution to the board as they are alleged as reliable instruments to settle agency problems between shareholders and managers. Finally, the study concludes that the audit committee independence willspeed-up the timeliness of financial reporting and also improve the quality of financial reporting of listed companies in Nigeria. This, in turn, will improve the financial reporting process and ultimately improving the timeliness of financial reports among listed companies in Nigeria. The study, however, recommends that the number of directors on the board should be of a reasonable size. Also, in order to guarantee timely financial reports, large boards should be encouraged in Nigerian listed companies. This will foster faster communication, coordination and ultimately timely publishing of financial reports. In addition, the study recommends that the audit committee independence should be encouraged as they tend to provide timely and quality financial reporting to the stakeholders.

This study is limited to only three corporate governance variables which are board size, board independence, and audit committee independence. However, other variables like gender, CEO duality, board education, directors tenure can be taken into consideration in future research. Also, further research can be done on specific sector of the Nigerian economy such as the manufacturing sector, banking sector, oil and gas sector, telecommunication sector.

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APPENDIX

Sampled Companies

S/N	Sector	Company Selected	Industry. Code
1	Industrial	DANGOTE CEMENT	A1
2	Industrial	CAP COMPANY	A2
3	Industrial	OLAM COMPANY	A3
4	Industrial	ALUMINIUM EXTRUSION PLC.	A4
5	Consumer Goods	PRESCO PLC	B1
6	Consumer Goods	GUINNESS NIGERIA PLC	B2
7	Consumer Goods	UAC	B3
8	Consumer Services	IKEJA HOTEL	C1
9	Financial	ACCESS BANK PLC	D1
10	Financial	FIDELITY BANK PLC.	D2
11	Financial	G.T. BANK PLC.	D3
12	Financial	ZENITH BANK PLC.	D4
13	Financial	AIICO	D5
14	Financial	LEADWAY	D6
15	Health Care	MAY AND BAKERS PLC	E1
16	Oil and Gas	TOTAL OIL.	F1

17	Oil and Gas	OANDO OIL PLC.	F2
18	Tech. & Tel	MTN NIGERIA	G1