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Original Research Article

IFRS Adoption, Firms' Characteristics and the Timeliness of Financial Information

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Abstract

This study investigates the effect of IFRS adoption on the timeliness of financial information in Nigeria. We argue that IFRS has extended the timing of financial information and that the directions of the relationship between timeliness of financial reports and firms' characteristics are likely to vary in the pre and post IFRS adoption periods in Nigeria. In line with this, Data on the timeliness of financial reports, EPS, firm size, leverage, IFRS adoption, and ROA were collected for 30 companies over the periods of 2009 through 2016. These data were analysed using the ordinary least square regression method. Three regression analyses were conducted in the study: a regression analysis for the pre-IFRS adoption another one for post-IFRS adoption the periods, and the last one for a combined period. These analyses provide evidence which suggested that the timing of financial reports has slightly improved following the adoption of IFRS in Nigeria and that the directions of the relationship between timeliness of financial information and firms' characteristics are likely to vary in the pre and post IFRS adoption periods in Nigeria. We recommend for further academic studies with large sample size and sufficient numbers of variables.

Keywords: Reporting Lag, Firm Size, Profitability, Leverage, IFRS Adoption.

JEL Classification: M40, M41

1.0 INTRODUCTION

The timeliness of information is one of the enhancing characteristics of financial reporting information (International Accounting Standard Board, 2015). The others are comparability, verifiability and understandability. The timing of financial information is an important characteristic that influences the usefulness of the information to those reading it. Accounting information that is delayed is not suitable for business decisions. The usefulness of such information would have been impaired, suggesting that the shorter the timing of financial information, the better it is for the users of the information (Khasharmeh & Aljifri, 2010). Consequently, companies are required to issue their annual reports on time after their accounting year end. Financial statements are issued to reduce the information asymmetry existing between management and the shareholders of firms. The earlier this financial information is presented, the better it is for the shareholders. Thus the timing of financial information is as important as the content of the information (Almosa & Alabbas, 2007).However, an earlier presentation of financial statement to shareholders may imply that a company disclosed its information on all aspects of financial transactions is known, thus impairing the reliability of such financial information. Nonetheless, the financial information that is disclosed after all financial transactions are known may not be useful for economic decisions (McLelland & Giroux, 2000). Hence, a company is expected to balance between the relevance and reliability of the accounting information disclosed in financial statements (Healy & Wahlen, 1998). In line with this, there exist legislations on the timing of annual reports of companies in different jurisdictions. In Nigeria, section 345 of the Company and Allied Matters Act of 2004 as amended require companies to make their annual reports available to shareholders three months after the financial year-end.

The International Financial Reporting Standard (IFRS) is unarguable a high-quality accounting standard (Ball, 2006; Barth, Landsman, & Lang, 2008; Chau, Cheong, Gould, 2012; Kaaya, 2015). IFRS is accounting standard issued by the International Accounting Standard Board (IASB) based in London. Between 1973 and 2000, related sets of international standards known as the International Accounting Standards were issued by the International Accounting Standard Committee (IASC) which is the predecessor of IASB. The IASC was formed by the accountancy bodies in the United Kingdom and Ireland, Germany, Netherland, Australia, Canada, France, United States, Mexico, and Japan (Ball, 2006). By 2001, the IASC was reconstituted as IASB. Though the IASB recognises prior accounting standards (IAS) issued by IASC, all the standards issued by the IASB are referred to as the International Financial Reporting Standards.

The applications of IFRS have restricted the accounting options permitted in financial reporting (Barth et al., 2008; Kaaya, 2015), and encourages greater financial disclosures compare with most local standards (Onalo, Lizam, & Kaseri, 2014).Greater disclosure may require more time for the financial statements of companies to be readily available to users (Fodio, Oba, Olukojo, & Zik-rullahi, 2015). Also, firm characteristics such as profitability, firm's size,

and capital structure have been argued to influence the timeliness of financial reporting (Owusu-Ansah, 2000; Al-Ajmi, 2008; Iyoha, 2012; Fodio et al., 2015).

Firm's characteristics can be grouped into the uncontrollable, partial controllable, and controllable characteristics (Engel, Gordon, & Hayes, 2002). The uncontrollable characteristics, such as organisational size and structure, are outside the direct control of a firm. Organisation's resource and maturity are examples of the partial controllable; they cannot be altered at will and yet, are susceptible to change in the long run. Finally, the controllable characteristics are under the control of a firm. However, Iyoha (2012) argues that firms can manipulate both the uncontrollable and controllable characteristics. Therefore, we expect the directions of the relationship between most of these variables and the timing of financial reports to vary in the pre and post IFRS adoption period in Nigeria. Since the different accounting options once permitted by Nigeria statement of accounting standards would have been restricted with the adoption of IFRS in Nigeria (Barth et al., 2008; Kaaya, 2015). Thus, the thrust of this paper is to investigate the effect of IFRS adoption on the timeliness of financial information and to ascertain if the directions of the relationship between the timing of financial reports and each of the follows: profitability, firm size, and leverage vary in the pre and post IFRS adoption periods in Nigeria.

The remaining sections of the study are organised as follows: Section 2 reviews the literature on timeliness, some of its determinants, and IFRS, section 3 is centered on the methodology of the study, section 4 is based on data analyses and interpretations, and finally, section 5 concludes the study.

2.0 LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Timeliness of Financial Reports

Financial information of companies is disclosed to meet the decision need of the users of the accounting information. To meet this need, financial information must be available on time. The timing of financial information is an important tool in financial reporting (Abdelsalam & Street, 2007).Timely financial information enables investors to make an inform decision whether to invest or not in a company. Delayed accounting information leads to inefficiency in the market (Ismail & Chandler, 2004). International accounting standards setters such as the International Accounting Standard Board (IASB) and Financial Accounting Standard Board (FASB) have always advocated for the need for financial information to get to the users before it loses its capacity to influence decisions. Thus, the timeliness of financial reports is an essential factor affecting the usefulness of financial information (Almosa et al., 2007). Carslaw and Kaplan (1991) describe timeliness of a report as an attempt on the part of those preparing a financial statement to make it available quickly before it loses its usefulness for decision making. In other words, timeliness is one of the qualitative characteristics of accounting information that defines the relevance of accounting information (IASB, 2015).The timing of a report can be influenced by the audit delay and management delay (Oladipupo & Izedonmi, 2009). The audit delay is the time between the fiscal year of a company and when an auditor endorses the financial statement of the company. The management delay is the time between when the financial statement is endorsed

and when it is presented before the shareholders in the Annual General Meeting (AGM).In recognition with the quest of more timely information, regulatory agencies around the world have set the maximum periods of time the financial statements should be delayed. For instance, in the USA the Security and Exchange Commission (SEC) has reduced the maximum number of days companies are expected to file their annual reports from 90 to 60 days. While in Nigeria, regulations such as the Investment and Security Act, BOFIA, and Insurance Act require a financial statement to be made available on or before 90, 120, and 180 days respectively (Iyoha, 2012). The section 347 of the Companies and Allied Matters Act of 2004 as amended, grants an additional 14 days period of grace to companies for their financial statements to be delayed, in recognition with the pressures that might be associated with the complexity of work during the accounting year end of companies. Thus, it is expected that more disclosures as required by IFRS may affect the timing of financial statement presentations in Nigeria.

Profitability

Profitability is a popular proxy for measuring firm financial performance. The financial performance of a firm has a signalling effect on the stock market (Watts & Zimmerman, 1990). A firm's positive performance (good news) is translated to a rise in the market value of its outstanding shares. The contrary is the truth when a firm discloses a negative performance (bad news). Thus, the profitability of a firm is expected to influence the timing of the release of its financial information, and it is expected for a firm to disclose good news to the market on time (Mahajan &Chander, 2008). There are prior studies that have indicated that firms with negative performance delay the publication of their annual report than firms with positive performance (Owusu-Ansah, 2000; Haw, Qi, & Wu, 2000; Al-Ajmi, 2008). Al-Ajmi (2008) argues that firm's profitability (good and bad news) is a dominant factor that influences both the audit and financial reporting lag. Specifically, Al-Ajmi (2008) opines that good news leads to early firms' financial report. Haw *et al.* (2000) argue that firms tend to disclose financial information containing good news on time and delay information containing bad news. This is because auditors like avoiding future litigations by taking more time to audit firms with bad news (Owusu-Ansah, 2000). Thus, the timing of financial reports is expected to be influenced by the value of disclosed EPS.*H_{01}: the disclosed value of EPS influences the timing of financial reports of companies in Nigeria.*

Firm size

Firm size is a major variable of interest in timeliness of financial report studies. The argument that firm' size is associated with the timeliness of financial reporting is anchored on the following positions: first, the visibility of a firm depends on its size. A large firm is associated with greater outside interest. Thus it is more likely to adopt any measure to reduce regulatory intervention (Ismail & Chandler, 2004. This can be achieved by reducing the financial reporting lag to reduce the uncertainty in the market about the performance of the firm (Davies & Whittred, 1980). Also, the pressure to improve the quality of financial information increase with the size of a firm (Al-Ajmi, 2008). Large firms mainly depend more on external sources of finance, as a result, are more sensitive to high-quality information needs of the existing and potential

investors. The quest to provide high-quality information can influence the time taken to provide annual accounting information (Al-Ajmi, 2008). Further, larger firms are expected to have stronger internal control, internal audit and greater transparency, all of which could facilitate the auditing process. Consequently, larger firms are expected to provide timely accounting reports (Ismail & Chandler, 2004). Existing empirical research has shown that an inverse association exists between financial reporting lag and firm size (Owusu-Ansah, 2000; Ismail & Chandler, 2004; Al-Ajmi, 2008; Al-Ghanem & Hegazy, 2011). Other studies have also found an insignificant relationship between timeliness and firm's size, suggesting that the financial resources at the disposal of large firms may not enhance processing of financial information at a faster rate (Leventis & Weetman, 2004; Owusu-Ansah & Leventis, 2006).We expect a firm size to influence the timing of financial reports.
H_{02}: Firms' size influences the timeliness of financial reports in Nigeria.

Capital Structure
The capital structure of a firm is a concept that is used to describe the component of financial resources employs in firms. The issue of stocks can entirely finance the operations of a firm, or partly financed by stock and debenture. A firm is described as levered when it is financed partly by debenture. Thus, leverage measures the extent of the borrow finance resources used in a firm (Khalid, 2012). The total of debt usually measures it to equity. A high leverage firm is expected to release its annual report faster than a low leverage firm, due to the high monitoring cost associated with a highly leveraged firm. Debt holders always include clauses in their debt contracts, one of which require prompt and frequent disclosure (Owusu-Ansah, 2000). Abdulla (1996) is of the view that the higher the amount of a debt utilised to finance the operation of a firm, the more pressure on the firm to provide a financial audit statement as at when due. Consequently, a high leveraged company would most likely begin and complete its financial reporting process than other companies without or with less debt. Hence, Abdulla (1996) finds a significant negative relationship between leverage and audit delay. However, highly leverage firms might tend to delay the release of their annual reports during the economic downturn since firms with a high ratio of debt to the total asset are faced with the high probability of failure when the economy is poor (Owusu-Ansah, 2000). Al-Ajmi (2008) argues that firms that utilised large amount of debt tend to delay. Carslaw and Kaplan (1991) find a significant relationship between the use of debt and financial reporting time lag in firms for a single year. This suggests that highly leverage firms tend to delay the publication of their financial information than less leverage firms. Therefore, we expect high leverage to affect the timing of financial reports of a firm*H_{03}: the timeliness of financial reports is influenced by the capital structure of firms in Nigeria.*
Adoption of IFRS

The need to globalise the capital markets is the brainchild behind the quest for the adoption of a single set accounting standard. With the adoptions of a single set of accounting standards, the stocks of companies in different part of the world can be listed on international exchange markets. Suggesting that investors can seek investment opportunities outside their countries of origins. With the emergence of IFRSs in 2003, the drive towards the adoption of a single set of

financial reporting standards has recorded an impressive level of success (Efobi, ND). IFRS has been argued to be a significant determinant of quality of accounting information (Houqe, Ziji, Dunstan, & Karim, 2012). In view of this, more than 134 countries have adopted IFRS (Deloitte, 2015).Timeliness of financial information is one measure of ascertaining the quality of financial information (Turel, 2010). It is a necessary condition for a high-quality disclosure, thus standard setters around the world see it as the overall crucial quality of information (Brown et al., 2010) The adoption of IFRS is expected to influence the timeliness of financial information (Ball, 2006; Fodio, Oba, Olukoju, & Zik-rullahi, 2015). Inconsistent with this, Barth, Landsman, and Lang (2008), and Chua et al. (2012) find that the timely recognition of loss has improved after the adoption of IFRS. Thus, we expect the timing of financial statement to be influenced by IFRS adoption. *H_{04}: IFRS adoption influences the timing of financial reports of companies in Nigeria.*

3.0 RESEARCH METHODS

Theoretical Framework

Agency theory is mainly concerned with agency problems associated with the separation that exists between management and owners (Jensen & Meckling, 1976). The managers (agent) of firms are usually engaged by owners (principal) to perform some services on behalf of the latter.As a result, the managers have delegated the authority to take decisions on behalf of the owners. Both parties are supposed to benefit from this arrangement. However, due to the existence of misaligned interests between these parties, the managers are always exploiting their information advantage at the expense of the owners (Barako, Hancock, & Izan, 2006). The agency theory suggests the need for managers to reduce information asymmetry by disclosing accounting information to owners of firms (Wang and Song, 2002). Thus, the disclosures of more accounting information are expected to reduce information asymmetry.The adoption of IFRS can be argued to have reduced information asymmetry since it required detail disclosure of accounting information (Callao & Jarne, 2010). Thus, this study is anchored on agency theory. We proxy IFRS by dichotomous variables, it is 0 for the periods from 2009 to 2011 (pre-adoption), and 1 for the periods from 2012 to 2016 (post-adoption).

These variables are specified in the econometric model specified below, which is a modified form of the model specified in Iyoha (2012).

$TFR_{it} = \beta_0 + \beta_1 EPS_{it} + \beta_2 SIZE_{it} + \beta_3 LEV_{it} + \beta_4 IFRS_{it} + \beta_5 ROA_{it} + e_{it}$. Where: TFR, EPS, SIZE, LEV, IFRS and ROA= timeliness of financial report, earnings per share, firm size, leverage, IFRS adoption in Nigeria, and return on asset. β_0= intercept, β_1,- β_3= coefficient of the explanatory variables, and e = error term.Apriori expectation EPS, SIZE, LEV, ROA, IFRS ≥ 0

Research Design

The thrust of this study is to investigate the effect of the adoption of IFRS on the timeliness of accounting information of Nigerian quoted firms. To actualise this, we purposively collect the financial reports of 30 companies quoted on the Nigeria Stock Exchanges from 2009 to 2016. Data on both the dependent (timeliness of accounting information) and independent (capital structure, profitability, firm' size and IFRS adoption) variables were collected over these periods. The timeliness of accounting information was proxy by the difference in the number of days between the accounting year end of a company and the date an auditor endorses the financial statement of a company. The capital structure, profitability and firm's size are measured by leverage, earnings per share and the logarithm of total asset respectively. The applications IFRSs became mandatory for companies quoted on the floor of the Nigerian Stock Exchange.

4.0 RESULTS AND DISCUSSION

Descriptive Statistics

Table 4.0 Pre-IFRS Adoption

	TFR	EPS	SIZE	LEV	ROA
Mean	105	1.482	10.718	0.187	0.063
Median	88	0.645	10.693	0.170	0.039
Maximum	307	12.16	11.914	0.700	0.270
Minimum	49	-4.860	9.5560	0.002	-0.190
Jarque-Bera	3.25	93.7	0.80	17.8	4.45
Prob.	0.19	0	0.66	0.00	0.10

Table 4.1Post-IFRS Adoption

	TFR	EPS	SIZE	LEV	ROA
Mean	101	1.58	10.375	0.15	0.04
Median	88	0.66	10.514	0.12	0.04
Maximum	305	9.64	11.914	0.72	0.27
Minimum	42	-1.59	6.864	0.008	-0.15
Jarque-Bera	142.8	34.49	83.44	54.91	14.47
Prob.	0.08	0	0	0	0.0007

As presented in Table 4.0, the average lag of financial reports before the adoption of IFRS in Nigeria is 105 days. This is within the acceptable range stipulated by the Companies and Allied Matters Acts 2004 in Nigeria. The maximum of this period is 307days, and the minimum is 49 days. The means of EPS, FIRM SIZE, and LEVERAGE are N1.482, N10.718, and N0.187 respectively, with maximum and minimum of N12.16 and N4.860, N11.914 and N9.5560, and N0.700 and N0.002 respectively. The Jarque-Bera statistics and its associated probability suggested that data on timeliness, firm size and the return on assets follow a normal distribution.

From Table 4.1, the average lag in financial reporting after IFRS adoption in Nigeria is 101 days. This is more than 3 months specified by the Companies and Allied Matters Acts. However, it is within the 14 days of grace grants by section 347 of the ACT. This suggests that IFRS adoption in Nigeria has encouraged prompt presentation of financial information to the shareholders.

Table 4.2 Correlation Analysis Pre-IFRS Adoption

	TFR	EPS	SIZE	LEV	ROA
TFR	1	-0.2	-0.08	0.081	-0.28
EPS		1	0.064	-0.06	0.46
FIRM_SIZE			1	0.01	0.02
LEVERAGE				1	-0.07
ROA					1

Table 4.3: Correlation Analysis Post-IFRS Adoption

	TFR	EPS	SIZE	LEV	ROA
TFR	1	-0.3	0.08	-0.02	-0.54
EPS		1	-0.28	0.05	0.57
SIZE			1	0.10	-0.16
LEV				1	0.07
ROA					1

From Table 4.2, the timeliness of financial information is negatively related to EPS (-0.243), firm size (-0.089), but positively related to leverage (0.081). Earnings per Share is positively related to firm size (0.064) and negatively related to leverage (0.081). Firm size is positively related to EPS (0.064), and leverage (0.018). Leverage is negatively related to EPS (-0.069), but positively related to firm size (0.018).

Also, in Table 4.3, EPS (-0.39) and leverage (-0.02) are negatively related to timeliness of financial report after the adoption of IFRS in Nigeria. EPS is positively related to leverage (0.05), but negatively related to firm size (-0.28). Leverage is positively related to EPS and firm size. The extents of their relationships are 0.05 and 0.10 respectively. Firm size is negatively related to EPS (-0.28) and positively related to leverage (0.10).

Table 4.4 Pre-IFRS Adoption Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	196.5	131.6	1.493	0.14
EPS	-2.59	2.5	-1.022	0.31
SIZE	5.97	1.59	3.745	0.00
LEV	29.7	45.5	0.652	0.51
ROA	4.86	86.6	0.056	0.95
R-squared	0.186	Mean dependent var		104.26
Adjusted R-squared	0.118	S.D. dependent var		46.864
S.E. of regression	43.995	Akaike info criterion		10.495
Sum squared resid	929	Schwarz criterion		10.681
Log likelihood	-273.1	Hannan-Quinn criter.		10.567
Durbin-Watson stat	2.017			

The probability value of 33% of the Breusch-Pagan-Godfrey (see appendix 1) suggests that the residuals of the pre-IFRS adoption model are homoscedastic, suggesting that our data in the pre-IFRS adoption period are ok. The regression output in table 4.4, suggested that about 19% of the lag in a financial report in

the pre IFRS adoption period in Nigeria is explained by EPS, ROA, leverage, and the size of companies. The error term in our model explains approximately 79% of the lag. The Durbin-Watson stat of 2.017 suggests the absence of serial correlation in the residual of the model. The coefficients of the explanatory variables and their associated probability values of, -2.59 and 0.31 (EPS), 5.97 and 0.0005(firm size), and 29.7 and 0.51 (leverage) suggest that EPS and leverage are not significantly related to the timeliness of reports; but that firm size is positively and significantly related to the timeliness of reports. The regression output presented above implies the following relationships between the explained and explanatory variables. A unit change in EPS of the sampled companies could lead to 2.59 reductions in the timeliness of financial reports in pre-adoption IFRS period. Also, a unit change in leverage and firm size could lead to 4.86 and 5.97 increments in the lag of financial reports of companies before the adoption of IFRS in Nigeria.

Table 4.5Post IFRS Adoption Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	104.	50.76	2.065	0.043
EPS	-0.48	2.43	-0.197	0.843
SIZE	8.266	1.250	6.608	2.2568
LEV	17.88	36.05	0.495	0.6220
ROA	-3.28	92.57	-3.553	0.0008
R-squared	0.405537	Mean dependent var		103.1607
Adjusted R-squared	0.358912	S.D. dependent var		45.33743
S.E. of regression	36.30075	Akaike info criterion		10.1066
Sum squared resid	67204.98	Schwarz criterion		10.28743
Log likelihood	-277.985	Hannan-Quinn criter.		10.17671
Durbin-Watson stat	2.147472			

The probability value of 15% of the Breusch-Pagan-Godfrey test (see appendix 2) suggests that the residuals of the post-IFRS adoption model are not heteroscedastic, suggesting that our data on the dependent and independent variables from 2012 to 2016 are ok. The regression output in table 4.5, suggested that about 41% of the reporting lag after the adoption of IFRS in Nigeria is explained by EPS, SIZE, LEV, and ROA. Error term explains about 59% of the reporting lag. The Durbin-Watson stat of 2.014 suggests the absence of serial correlation in the residual of the model.

The coefficients of the explanatory variables and their associated probability values of, -0.48 and 0.84 (EPS), 17.88 and 0.62 (leverage), and 8.226 and 2.2568 (firm size) suggest that EPS, leverage and firm size are not significantly related tothe timeliness of reports. This implies that a unit change in EPS of the sampled companies could lead to about 0.48 reductions in the time of getting the financial reports to shareholders in the post IFRS adoption period. A unit change in firm size and leverage could lead to about 8.266 and 17.88 changes in the timeliness of reports of the sample companies after the adoption of IFRS in Nigeria. The coefficient of the EPS and ROA in the table 4.5 suggest that bad news is timelier in the post IFRS adoption in Nigeria.**Table 4.6 Descriptive Statistics (Pre and Post IFRS Adoption)**

	TFR	EPS	SIZE	LEV	IFRS	ROA
Mean	103	1.53	2.34	0.17	0.51	0.057
Median	88	0.65	2.35	0.15	1	0.045
Maximum	307	12.16	2.47	0.72	1	0.27
Minimum	42	-4.86	1.92	0.002	0	-0.19
Jarque-Bera	6.98	133.2	655.7	65.15	18.83	15.52
Probability	0.0530	0	0	0.64	0.14	0.42

As presented in the Table 4.6, the mean of the financial reporting lag is 103 days. Although this exceeded the 3 months required by companies and allied matter acts, it is within the region specified as acceptable in the acts. The average of EPS, size, leverage and IFRS are N1.53, N0.17, N2.34, and 0.51 respectively. The Jarque-Bera statistics of the variables and its associated probability of our variables are indicatives that the data on financial report lag, leverage and IFRS follow the normal distribution.

Table 4.7 Correlation Analysis (Pre and Post IFRS Adoption)

	TFR	EPS	ROA	SIZE	LEV	IFRS
TN	1	-0.31	-0.39	-0.01	-0.09	-0.04
EPS	-0.31	1	0.50	0.09	0.04	0.02
ROA	-0.39	0.50	1	0.04	0.14	-0.11
SIZE	-0.011	0.09	0.04	1	-0.07	0.11
LEV	-0.090	0.04	0.14	-0.07	1	-0.07
IFRS	-0.045	0.02	-0.11	0.11	-0.07	1

As presented in the table 4.7, the financial reporting lag is negatively related to EPS (-0.31), firm size (-0.01), leverage (-0.09), and IFRS (-0.04). EPS is positively related tofirm size (0.09), leverage (0.04), and IFRS (0.02). Firm size is positively related to EPS (0.09) and IFRS adoption (0.11); but it negatively related to leverage (-0.07). Leverage is positively related to EPS (0.04); but negatively related to size (-0.07) and IFRS (-0.07). IFRS is positively related to EPS (0,02), and firm size (0.11); but negatively related to leverage (-0.07).

Table 4.8 Regression Analysis (Pre and Post IFRS adoption)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	91.90	49.02	1.87	0.063
EPS	-2.87	1.735	-1.65	0.100
ROA	-113	63.05	-1.79	0.074
LEV	2.01	3.656	0.55	0.581
SIZE	33.57	5.712	5.87	5.198
IFRS	-0.21	7.852	-0.02	0.978
R-squared	0.281	Mean dependent var		102.7
AdjustedR-squared	0.246	S.D. dependent var		45.96
S.E. of regression	39.88	Akaik info criterion		10.26
Sum squared resid	1638	Schwarz criterion		10.41
Log-likelihood	-553.3	Hannan-Quinn criteria.		10.32
Durbin-Watson stat	2.05			

The probability value of 63% of the Breusch-Pagan-Godfrey test of heteroscedasticity (see appendix 3) suggests that residual of our model of the combine periods are homoscedastic. The regression output in Table 4.8presents the analysis on the data. This result shows the effect of IFRS adoption on the timeliness of financial reporting in Nigeria. As can be observed in the table, the R-squared of 28.1% suggests that the explanatory variables of this study explain about 28% of the financial reporting lag. The other 72% is explained by the error term in our model. The coefficients and (p-values) of EPS and IFRS of -2.87 (0.100), and -0.21 (0.978) suggest a non-significant and negative relationship between timeliness and, EPS and IFRS respectively. This suggests to the extent that the adoption of IFRS in Nigeria reduces the time lag of financial statement, and that the disclosure of bad news corporate information is timely in Nigeria after the adoption of IFRS. Also, the regression result shows a positive relation between timeliness and firm's size, suggesting that high volume of work in larger firms can lead to delay in financial statement presentations by large firms in Nigeria.

In the pre IFRS adoption period, the strength of the relationship between firm's size and timeliness of financial reporting is significant, suggesting that size is a key factor explaining the timing of financial information in these periods. The P-values of 0.0005 of firm size in the pre-IFRS adoption suggest that firm size is significantly related to the timeliness of financial report. This is supported by Al-Ghanem and Hegazy (2011) that found a significant negative association between firm size and audit delay. They introduced liquidity to existing variables, to analyse audit delay in the Kuwait stock market and find that one variable – firm size – significantly affected audit delay for the periods of 2006 and 2007. This result is similar to that obtained by several audit delay studies conducted in different countries (Carslaw and Kaplan, 1991; Ng and Tai, 1994, Iyoha, 2012).Large firms are expected to have strong control system in place, which facilitate a more frequent revision of their accounts. Therefore, the audit of their account is likely to be more rapidly done compare to the accounts of smaller firms. In the post-adoption period, the ROA becomes the key variable

explaining the timing of financial information in our sampled firms. The -0.48 coefficients of ROA and its associated probability values of 0.0008 indicates that ROA is negatively and significantly related to timeliness, suggesting that report of good news (ROA) is timelier in post-IFRS adoption period. This is in tandem with the position that firms with bad news, or that experienced losses, tend to delay reports longer than firms with good news (Carslaw & Kaplan, 1991; Owusu-Ansah, 2000; Ismail & Chandler, 2004; Al-Ajmi, 2008; Mahajan & Chander, 2008).

Thus, the variable that explains the timing of financial information in our sampled firms vary between the pre and post IFRS adoption periods. This presupposes that the direction of the relationship between the dependent and independent variables could also vary in the pre and post-adoption period. Though our analyses suggest that the directions of the relationship between the dependent and independent variables remain the same in the pre and post-adoption periods, except the relationship between ROA and timeliness of financial reports. This could be explained by the manipulations of firms' characteristics over the periods considered in this study, which is in line with the argument of Iyoha (2012).

The regression results of the pre and post-adoption periods suggest that the adoption of IFRS is negatively related to timeliness of financial report, suggesting that the adoption of IFRS has facilitated the timing of financial reporting in Nigeria. However, this is in contrast to Fodio, Oba, Bamidele, and Zik-rullahi (2015), who argue that the auditors are required to audit more complicated annual reports after the adoption of IFRS.

5.0. CONCLUSION AND RECOMMENDATIONS

This study investigates the effect of IFRS adoption on the timing of financial reports of the companies quoted on the Nigeria Stock Exchange. We argue that IFRS adoption can affect the timing of financial reports in Nigeria and that, the directions of the relationships between timeliness of information and firms' characteristics are likely to vary in the pre and post IFRS adoption periods due to the tendency of manipulating firms' characteristics information. The purposive method was adopted to sample 30 companies listed on the Nigeria Stock Exchange. Data on profitability, firm size, leverage, and IFRS adoption were collected in respect of these companies over the period of 8 years. Though not significant, our analyses suggest that IFRS adoption has facilitated the timing of financial reports in Nigeria. IFRS adoption indicates that the directions of the relationship between firms' characteristics and the timeliness of financial reporting are likely to vary in the pre and post IFRS adoption periods due to the manipulations of firms' characteristics by the management of firms. This calls for the need for adequate monitor and enforcement of IFRS if the benefit of adopting it must be actualized in Nigeria.

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Appendices

Appendix 1

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
F-statistic	1.144566	Prob. F(5,47)	0.3504
Obs*R-squared	5.752917	Prob. Chi-Square(5)	0.331
Scaled explained SS	28.2719	Prob. Chi-Square(5)	0

Appendix 2

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
F-statistic	1.676258	Prob. F(5,50)	0.157594
Obs*R-squared	8.03943	Prob. Chi-Square(5)	0.154076
Scaled explained SS	17.6019	Prob. Chi-Square(5)	0.003489

Appendix 3

Heteroskedasticity Test: Breusch-Pagan-Godfrey			
F-statistic	1.676258	Prob. F(5,50)	0.157594
Obs*R-squared	8.03943	Prob. Chi-Square(5)	0.154076
Scaled explained SS	17.6019	Prob. Chi-Square(5)	0.003489