Ashibuogwu, Onyinye Roselyn

Article

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Original Research Article

Board Characteristics and Timeliness of Financial Reporting

Onyinye Roselyn Ashibuogwu

Department of Accounting, Faculty of Management Science, University of Benin, Benin City, Edo State.

For correspondence, email: roselynashibuogwu@gmail.com

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Abstract

This study was carried out to investigate the relationship between board characteristics [BOD] and the timeliness of financial statements [TIM]. The characteristics of the BOD examined in this study include board independence, board size, board gender diversity and board diligence. Data were collected from annual reports of 15 listed commercial banks on the Nigerian Stock Exchange (NSE) for the period between 2012 to 2018. The results show that board size, board gender diversity and board diligence have significant effects on the TIM. Board gender has a negative effect on the TIM. However, the board independence showed no significant effect based on the findings, the study recommended that the shareholders of listed commercial banks should ensure that the board has a reasonably small number of members as it has been revealed that a smaller board will reduce the delay in releasing the financial reports.

Keywords: Board independence, board size, board gender diversity, board diligence.

JEL Classification Code: M41

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1. INTRODUCTION

Board characteristics are essential aspects of the corporate governance process (Blanchet, 2002). Kulzick (2004) and Prickett (2002) outlined transparency using eight concepts of accuracy, consistency, appropriateness, completeness, clarity, timeliness, convenience, governance, and enforcement. This study focuses on just one aspect of transparency-timeliness. McGee and Yuan (2008) opine that it's better to disclose information sooner rather than later, although there are some tradeoffs. Atiase, Bamber, and Tse (1989), Hendriksen and Van Breeda (1992) and Lawrence and Glover (1998) believed that accounting information becomes less relevant with the passage of time. The International Accounting Standards Board see timeliness as an essential aspect of financial reporting. The foremost thing is to report the concerned information well in time, as it may be used by investors, regulatory authorities, decision-makers, managers, professional bodies, financial analysts, and academics. As audited financial statements in the annual report act as a reliable source of information available to the market, its publication should be made in time (Charumathi and Krishnan, 2011).

The issue of timeliness has various aspects. There is an inverse relationship between the quality of financial information and its timeliness (Kenley & Staubus, 1974). According to Accounting Principles Board (1970), timeliness as one of the qualitative objectives of financial reporting disclosure. The US Securities and Exchange Commission also recognizes the importance of timeliness and requires that listed companies file their 10-K reports by a certain deadline.

Not much has been done in the extant literature on the determinant of the timeliness of corporate reports in Nigeria. In a similar fashion, there are scanty studies that have focused on the corporate reports of financial institutions in Nigeria. This is relevant considering that the companies in this sector are high performers. In 2006, bank shares were ranked as the most active. Furthermore, in 2007, 19 out of 20 most traded stocks were from the banking and insurance sectors (Okereke-Onyuike, 2006,2007) in 2008 and 2009 the shares of banking and insurance companies constituted about 95% and 90% of the most active shares traded on the Nigerian Stock Exchange NSE (Okereke-Onyuike 2008, 2009). Thereafter, the trend has remained the same. Despite these fantastic indices, disturbing trends persists with regard to the time taken to release the financial reports. The fastest reporting company in this sector uses an average of 122 days while some take as long as 304 days and these lags are way beyond the 90 days stipulation by SEC (Efobi & Okougbo, 2015). Some studies have attempted to investigate the factors responsible for the delay of the corporate financial report in Nigeria. This study focuses on board characteristics and timeliness of financial reporting.

This study explored the attributes of the board and how they affect the timeliness of financial reporting. Flowing from the above, the following questions became sacrosanct. To what extent does board independence influence the timeliness of financial reports? To what extent does board size influence the timeliness of financial reports? To what extent does board gender influence the timeliness of financial reports? To what extent does board diligence influence the timeliness of financial reports? The broad objective of the study is to investigate the relationship between board characteristics and the timeliness of financial statements.

Following the introduction, the rest of the paper is divided into four sections. Section two focuses on literature review and hypothesis developments. Section three addresses the methodology with emphasis on theoretical framework and model specification. Section four presents an estimation of results and discussion of findings and section five addresses the conclusion and recommendations.

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Timeliness of Financial Statements

Timeliness of financial reports is one of the qualitative characteristics of financial reporting because it determines the relevance of the information and influences the decisions made by the users of financial reports. Information from the financial reports is required to be made available within a short period of time; otherwise, it loses some of its economic value (Al- Ajiri, 2008). Mc Gee (2007) defined the timeliness of financial reporting as the period between the company's yearend and the date that the financial report was released for public view. Karim, Ahmed and Islam (2006) remarked that the timeliness of financial reports includes audit delay, which is the number of days between the balance sheet date and the date the external auditor's report was signed; financial statements delay, which is the number of days between the balance sheet date and the date of declaring the notice of Annual General Meeting (AGM.); and the AGM delay is the number of days between the date of financial year-end and AGM.

The timeliness of financial reports differs across countries. On average, Chinese companies require an average of 2 days, with a minimum of 24 days and a maximum of 181 days (Mc Gee and Yuan, 2008). Karim, Ahmed, and Islam (2006) noticed a longer delay time for listed Bangladesh companies, who require an average of 192 days. While Iyoha (2012) observed that in Nigeria, companies in the banking sector require about 82 days, the insurance sector (153 days), food/tobacco and beverage sector (144 days), petroleum sector (137 days), the health sector (145 days), agriculture (96 days) and conglomerates (119 days).

In Nigeria, the necessity for top quality and timely financial information has become particularly crucial due to the heightening exposure of Nigerian business organizations which are being obliged to satisfy the information demands of foreign investors and to provide them with more timely information in annual financial reports. Recognizing the importance of the timely release of financial information, regulatory agencies and laws in Nigeria have set statutory maximum time limits within which listed companies are required to issue audited financial statements to stakeholders and file such to relevant regulatory bodies.

The Corporate Affairs Commission (CAC) It is a requirement for listed companies to submit their audited financial statements to the Corporate Affairs Commission (CAC) within 42 days of the annual general meeting and publication of audited financial statements The National Insurance Commission (NAICOM) also sets the 30th of June for every insurance firm to submit their annual financial reports.

The Investments and Securities Act of 1999 provides that audited financial statements must be filed with Security and Exchange Commission (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 the preparation of financial statements as companies must comply with CAMA requirements. Banks and Other Financial Institutions Act (BOFIA) of 1991 contain provisions on financial reporting by banks in addition to CAMA requirements. The BOFIA 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 after the year-end. 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 of Nigeria (CBN). The activity of CBN has risen to sanitize the abnormalities by the introduction of the common year-end and the adoption of International Financial Reporting Standards (FIRS) for all Deposit Money Banks.

The Board

Board" is one of several names used to signify the group of people assigned the responsibility to govern an organization, company, or other similar entity. A board or board of directors is a group of people who jointly supervise the activities of an organization, which can either be a for-profit business, nonprofit organization, or government agency. It is the governing body of an incorporated firm. Its members (directors) are elected normally by the subscribers (stockholders) of the firm (generally at an annual general meeting) to govern the firm and often look at the subscribers' interests. Though all its members might not be engaged in the company's day to day operation, the entire board is held liable (under the doctrine of collective responsibility) for the consequences of the firm's policies, actions, and failures to act. There are four types of boards. Advisory boards/councils are not governed with the same rigour as the other types. Even if you prefer to call them "councils" instead of boards, they still need to be thought out. Rather than directors, advisors are recruited for advisory boards, and unlike the other three types of boards, advisory boards do not have a fiduciary duty. Advisory boards can exist to provide expertise to complement any of the other three boards, and/or complement the management team and/or any of the functional areas and divisions, and/or complement special "task force" teams, etc. In my opinion, Advisory Boards should be one of the highest priorities for start-ups and for new initiatives that are being tested or pioneered within an organization

Essentially, directors on these boards make a commitment to a cause, are volunteering time and are frequently asked to give a philanthropic donation. Having a lot of experience on advisory boards can be a natural progression to joining a Non-Profit Board while joining a Non-Profit Board doesn't require that you have had experience on Advisory Boards or any other types of boards. Serving on a Non-Profit Board can also be a great launchpad for eventually joining a Private or Public Board, depending on your role, your contribution, and your leadership. If you enjoy fundraising or would like to be a fundraiser, this is the type of board to consider.

Private Boards are not limited to small businesses. There are many mid-size and large companies that are private, and many family businesses are private. Joining the Private Board of a start-up can be very exciting, quite intense, and sometimes draining. Start-ups are all about growth. Investors want it big and fast. In this circumstance, its important to be watchful if you are not good at setting boundaries or working under pressure. Private Board directors have more latitude with regard to their involvement with the CEO and the management team while working to grow the business. In addition, joining a Private Board potentially has a great financial upside, as compensation isn't necessarily limited to cash, and might/ more likely include (or exclusively be) stock options or shares.

Public Boards are by far the most regulated boards. Serving on these boards is time-intensive. Since the Sarbanes-Oxley Act, directors of Public/ Corporate Boards' roles are more serious than ever, and there is a great focus on independence. While attractive compensation is an upside to Public Board service, a director must commit to allocating time to prepare for meetings, be part of committees that meet between regularly scheduled board meetings and attend all meetings. While your experience and skills are very important when seeking a seat on this type of board, you'll also need to get educated about governance and regulations. You must be prepared to address crises that require board diligence as they surface. Public Board directors have fiduciary responsibilities to shareholders, which carry with them the risk of liability, especially if risk oversight by directors isn't prioritized. Public Boards are a great place to make a significant impact on an organization and its leaders. The board of most publicly owned companies are composed of both inside and outside directors. Inside directors (sometimes called management directors) are typically officers or executives employed by the company. Outside directors (sometimes called non-management directors) may be executives of other firms but are not employees of the board's company.

Board independence and Timeliness of Financial Statements

Board independence refers to the participation of outside directors (Yunos, 2011). The board comprise executive and non-executive directors to protect the shareholder's interests. The term independent directors is often used interchangeably with outside directors and non-executive directors. The more independent the board is the more effective it will be in monitoring the management's behaviour (Fama & Jensen, 1983; Chen and Jaggi, 2003; Afify, 2009). Moreover, the board's independence is effective in resolving agency problems due to its effectiveness in monitoring management (Johnson, Daily & Ellstrang, 1996). Without independence, non-executive directors cannot perform their role effectively and provide unbiased judgments. The more independent the board is the more effective it will be in monitoring the management's behaviour (Fama & Jense, 1983; Chen & Jagga, 2000; Sfify, 2009).

Furthermore, board independence is effective in resolving agency problems due to its effectiveness in monitoring management (Johnson, Daily, & Ellstrang, 1996). Previous studies suggest that independent members of the board have a positive and significant influence on the timeliness of financial reporting. The monitoring role of the more independent board could have a positive influence on the timeliness of financial reports, through more effective and efficient audits, thus reducing the audit report lag. However, Wu et al., (2008) believe that the existence of independent directors is associated with a longer financial reports lag. These findings may be due to the directors' monitoring role, as they must spend more time purifying a firm's events. We, therefore, hypothesize in the null form that: ***there is no significant relationship between board independence and timeliness of financial statements***

Board Size and Timeliness of Financial Statements

Board size represents the number of directors sitting on the board (levraul & Van de Berghe, 2007). Board size has been found to vary between one country and another. For example, boards in Europe, in three countries (the UK, Switzerland and Netherlands) tend to have a small board size (fewer than ten board members), while other countries (e.g., Belgium, France, Spain, Italy and Germany) have a larger board size i.e., between thirteen and nineteen members (Heidrick & Struggles, 2007). In Australia, the board size has an average of seven members (Kan/Ferry International & Egan Associates, 2007). The board of directors is an important mechanism of governance, and it is more effective when it is the optimal size. Researchers differ significantly as to whether a smaller or larger board is more effective. Zainal, Mustaffa & Jusoff (2009) argue that larger board members are more helpful to the companies in terms of sharing knowledge, experience, and ideas which make them more efficient in terms of decision making.

The BOD is an important mechanism of governance, and it is more effective when it is of optimal size. Previous studies have shown mixed results about the effects of board size on the timeliness of financial reports. In light of those results, larger boards are more effective in monitoring firms than smaller boards (Fauzi & Locks, 2012). Zainal Abidin et al. (2009) argue that larger board members are more helpful to the companies in terms of sharing knowledge, experience, and ideas which make them more efficient in terms of decision making. In the context of the timeliness of financial statements, several research concludes that larger boards cause delays in financials and auditors' reports (Mohamad-Nor, Shafie & Hussin, 2010; Hassan, 2016). For instance, the timeliness of financial reporting is increased by the big members of directors who would take a lot of time communicating with the external auditor (Zaitul, 2010).

This study expects the relationship between the timeliness of financial reports and board size to be negative, given that most previous studies indicate that a small board is more efficient in publishing timely financial reporting. More so large boards are often associated with large companies whose operations are normally more diverse. Against this backdrop, we hypothesize in a null form that: ***there is no significant relationship between board size and timeliness of financial statements***

Board Gender and Timeliness of Financial Statements

Gender representation on corporate boards of directors refers to the proportion of men and women who occupy board members' positions. To measure gender diversity on corporate board, studies often use the percentage of companies with at least one woman on their board. Boards are traditionally male dominants and the presence of female directors on the boards enhances the board independence and the female directors on the board play positive role towards the perception of shareholders and their confidence in company's success increased which ultimately increases share price (Carter, D'Souza, Simkins & Simpson, 2003). Increasing the number of women on the board has a positive influence on mitigating the conflict among BOD members. Gulam, Hussen & Santa (2010) argued that women are less risk takers and tend not to break the rules. Glat worthy (2010) supports that gender differences will have behavioural effects, leading to better outcomes for financial statements. However, Hassan, Khan & Marimuthu (2015) argued women do not affect a company's performance. The assumption builds in the present study based on facicio (2016) argument that women on the BOD will improve the effectiveness of BOD control and more responsible risk-taking could affect timeliness of financial reporting. Thus, we hypothesize in null form that: ***there is no significant relationship between board gender diversity and timeliness of financial statements***.

Board Diligence and Timeliness of Financial Statements

Board diligence here refers to the number or frequency of board meetings. While some studies advise against frequent board meetings, others believe that frequent meetings will enhance the performance of management. The board of directors is expected to have a firm grip on the company's internal controls processes and heighten their vigilance in identifying, addressing and managing risks that may have a material impact on the financial statements and operations of the company (corporate governance guide p 10, Bursa Malaysia). Lipton and Lorsch (1992) and Conger, Finegold & Lawler, (1998) provide the support that board of directors that meet frequently are more likely to discharge their duties. This indicates a good internal control mechanism. A board of directors in a company that has more frequent meetings would allow the board members to discuss identified problems, and this led to the superior performance of the company (Evans & Weir, 1995). Tauringana (2008) found that significant negative relationship between the frequency of board meetings and timeliness of annual reports for companies listed on the Nairobi Stock Exchange (NSE) in Kenya. The latest guide on corporate governance by Bursa Malaysia highlights that a typical board of directors would hold a minimum of 6 to 8 board meetings annually. Can the frequency of the meetings of the board of directors help to ensure the publishing of timely financial statements? One essential measure of the effectiveness of a board is how often the board members meet to discuss the various issues facing a firm (Carcello, Hermanson, Neal & Riley, 2002; and Latendre, 2004). Diligent boards enhance the level of oversight, resulting in improved financial reporting quality.

Various previous studies examine the impact of board meetings by considering the frequency of a number of meetings (Beasley & Lapides, 2000; Carcello et al., 2002). Overall, board meetings are considered a source that leads to board diligence Carcello et al., (2002), find that the quality of audit work is associated with the number of board meetings. However, Uzun, (2004) do not find any significant differences in board meeting frequency between firms involved in fraud and other firms. On the other hand, Davidson & Dadalt (2003) find that earnings management is significantly negatively related to the number of board meetings. Hence, we hypothesize in null form that: ***there is no significant relationship between board diligence and timeliness of financial statements.***

3. METHODOLOGY

Theoretical Framework and Model Specification

The relationship between board characteristics and the timeliness of financial statements can be explained using a good number of theoretical views. However, for this study, the stakeholder theory was adopted. The definition of a stakeholder is any group or individual who can affect or is affected by the achievement of the organization's objectives (Freeman 1984). Stakeholder management is thought to be fulfilled by the managers of a firm. The managers should on one hand manage the corporation for the benefit of its stakeholders in order to ensure their rights and the participation in decision making and on the other hand, the management must act as the stakeholder's agent to ensure the survival of the firm to safeguard the long-term stakes of each group. According to stakeholder theory, beyond shareholders, there are several agents with an interest in the actions and decisions of a company (Antonelli, D'Alessio & Cuomo, 2016). The stakeholder theory can be seen as an adjunct of the agency theory which is the notion that the board of directors are to act in the best amplified to take into recognition the interest of the different stakeholder groups (Freeman 1984; Freeman, Wicks & Parmar 2004). These stakeholder groups include customers, employees, local communities, suppliers and distributors, financiers, government, and basically the users of financial statements. Hence the board of directors must give consideration to the stakeholders in dispensing their duties for the satisfaction of these stakeholders, information has to be made available as when due.

Against the backdrop of the importance of the board of directors, it is imperative that the attributes of the board of directors such as the size of the board, the ability of the board to act without external influence, the diligence and gender composition of the board are likely to have direct bearing on the timeliness of corporate reporting. Hence, will expect a functional relationship between the attributes of the board of directors and the timeliness of the financial reporting of the firm:

Timeliness of financial statements = f (Board characteristics) ……… (i)

Flowing from the theory is a schematic representation of the relationship between the dependent and explanatory variables as:

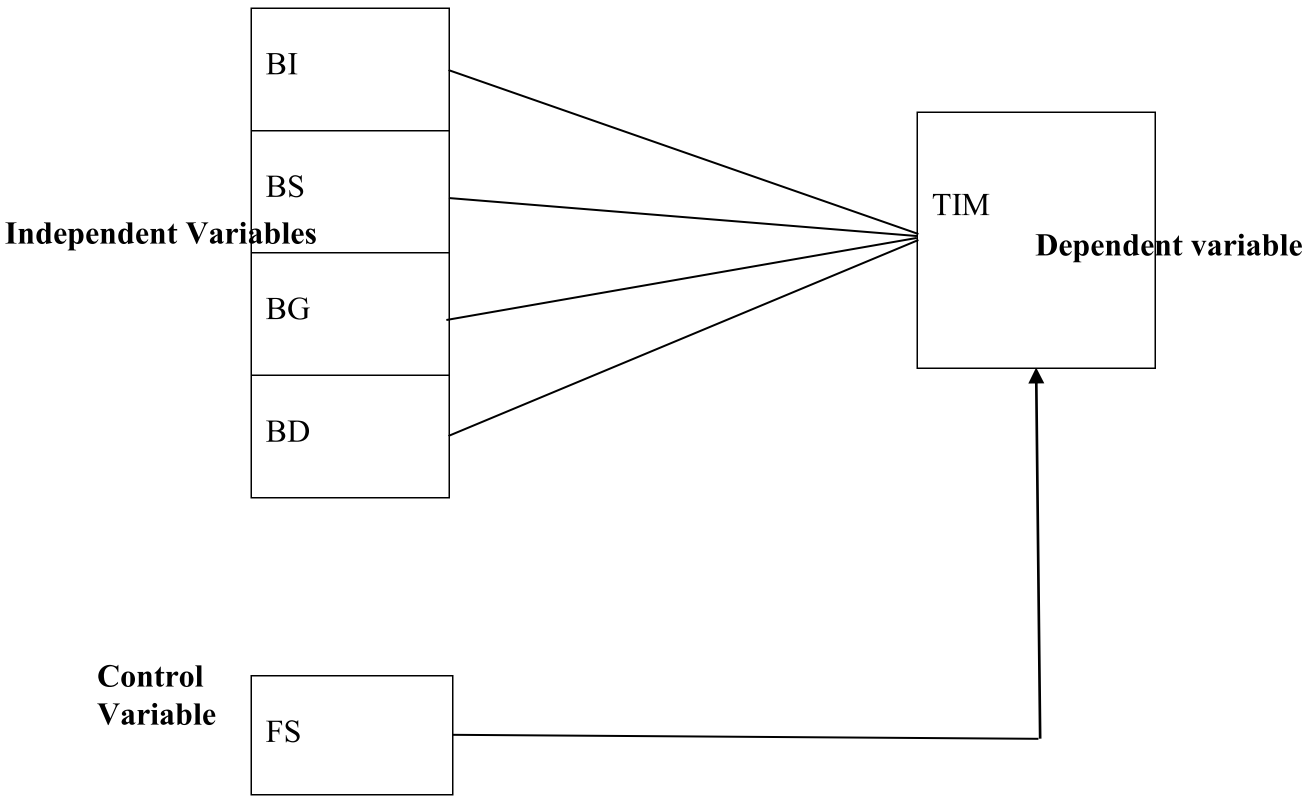

Fig 1. Schematic representation of the theoretical framework

Where: BI is board independence, BS is board size, BG is board gender, BI is board independence, BG is board gender, BD is board diligence, and FS is firm size.

Research Design

The thrust of this study is to investigate the effect of board characteristics on the timeliness of financial statements. To actualize this, we used the panel research design, with a deductive approach. The population is finite, which is all commercial banks currently quoted on the Nigerian Stock Exchange. There are 21 commercial banks in Nigeria as at 31st December 2018.

A representative sample was scientifically determined using the Yamane (1967) approach from the population. A confidence level of 95% is assumed. The sampling technique employed is probabilistic, with emphasis on the simple random sampling approach. The sample banks were chosen by lottery method. However, due to time constraints, we used 15 banks with readily available data for this study, secondary data was used. Data from this research is extracted from the listed banks of the Nigerian Stock Exchange (NSE) from 2012 to 2018. Data related to board characteristics are collected from the audited financial statements of the selected banks. Since all the explanatory variables border on board, the data, the board of directors' report is mainly the source of the data with the exception of the control variable of firm size which we got from the statements of financial position. To test the hypotheses, panel regression analysis was employed to estimate the model. The random-effect model was employed since the result of the Hausman test (0.5806) is greater than the 0.05 benchmark.

Operationalization of Variables

The operationalization of the dependent, independent and control variables are explained in Table I.

Table 1. Operationalisation of Variables

Variable name	Definition	Measurement	Source	Expected Sign
Dependent Variable:				
TIM	Timeliness of financial statements	Number of days for the statutory auditor signed the report	Gar Kaz et al, 2016	Nil
Independent Variables:	(Board Characteristics)			
BI	Board independence	Proportion of non – executive directors to the number of board members	Appah and Emeh, 2013	—
BG	Board Gender Diversity	Proportion of female directors in the board	Campbell and Minguez-Vera, 2008	—
BD	Board Diligence	Meeting frequency of board of directors	Li, 2014	—
BS	Board Size	Total number of board members	Basuany et al., 2016	—
Control Variables:				
FS	Firm Size	Value of total assets	Hashim and Abdul Rahman, 2011.	—

4. ESTIMATION RESULTS AND DISCUSSION OF FINDINGS

Descriptive Statistics

Table 4.1: Results of the Descriptive Statistics

	TIM	BI	BS	BG	BD
Mean	68.83929	8.383929	14.35714	3.544643	4.348214
Median	76.00000	8.000000	14.00000	4.000000	4.000000
Maximum	116.0000	13.00000	20.00000	5.000000	8.000000
Minimum	26.00000	1.000000	7.000000	1.000000	3.000000
Std. Dev.	18.43496	2.140327	2.727429	1.097814	1.054461
Skewness	-0.613298	-0.960814	-0.266635	-0.586003	1.399685
Kurtosis	3.427157	5.225483	3.134971	2.839387	5.183539
Jarque-Bera	7.872663	40.34534	1.412106	6.530501	58.82011
Probability	0.019520	0.000000	0.493589	0.038187	0.000000
Sum	7710.000	939.0000	1608.000	397.0000	487.0000
Sum Sq. Dev.	37723.11	508.4911	825.7143	133.7768	123.4196
Observations	112	112	112	112	112

Tim= Timeliness; BI= Board Independence; BS=Board size; BG=Board gender; BD=Board diligence

The result of the descriptive statistics as shown in Table 4.1 reveals a mean number of 68 days representing the average number of days it takes between the year-end and the date of AGM.

The maximum value of the dependent variable timeliness is 116 days while the minimum value is 26 days. The normality and other mean statistics of the regression variables are revealed in the histogram normality test below

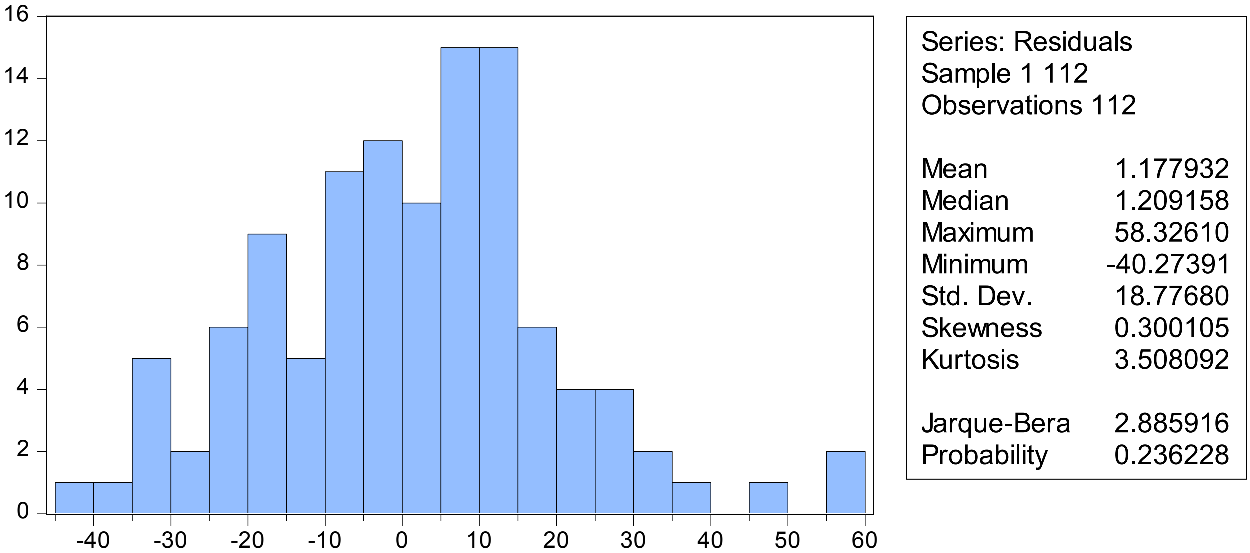

Figure 4.1 Histogram Normality Test

The result of the histogram normality test revealed a mean Jarque-Bera test of 2.89 and a probability value of 0.24. The result of the test suggests a normally distributed regression variable. The mean positive kurtosis of 3.51 revealed a positive kurtosis over 3.00 which signifies a leptokurtic kurtosis over the 3.00 benchmark. The mean positive skewness of 1.18 means rightward skewed regression variables as depicted in the histogram normality test in figure 4.1 above. The average standard deviation of 18.78 shows that the deviation from the mean of the regression variables is relatively small, which is indicative of the quality of the data

Correlation Analysis

Table 4.2: Correlation Analysis

	TIM	BI	BS	BG	BD
TIM	1.000000	-0.012807	0.107941	-0.215540	0.201725
BI	-0.012807	1.000000	0.465518	0.086576	0.171753
BS	0.107941	0.465518	1.000000	0.451966	0.069139
BG	-0.215540	0.086576	0.451966	1.000000	-0.040788
BD	0.201725	0.171753	0.069139	-0.040788	1.000000

Source: Researchers Computation, 2019

The result of the correlation coefficient revealed a mixed coefficient of both positive and negative values. The correlation coefficient between the dependent variable of timeliness and the independent variable of board independence and board gender are negative with values of -0.0128 and -0.2155 respectively. The correlation coefficients between the dependent variable of timeliness and the independent variables of board size and board diligence are positive with values of 0.1079 and 0.2017 respectively. The correlation coefficients did not pose any problem of multicollinearity as the results of the correlation coefficients are relatively small.

Analysis of the Regression Results and Discussion of Findings

Table 4.3: Results of the Regression Analyses

VARIABLE	POOLED OLS	RANDOM EFFECT	FIXED EFFECT
C	4.9127 (0.0000)	2.8193 (0.0057)	2.6999 (0.0083)
BI	-1.6392 (0.1041)	-1.0158 (0.3120)	-0.8385 (0.4039)
BS	2.8736 (0.0049)	2.6935 (0.0082)	1.9950 (0.0490)
BG	-3.3643 (0.0011)	-2.5459 (0.0123)	-1.3287 (0.1872)
BD	2.1432 (0.0344)	2.2420 (0.0270)	2.4634 (0.0156)
R-squared	0.1501	0.0804	0.4639
Adjusted R-squared	0.1184	0.0460	0.3532
F-statistic	4.7259	2.3388	4.1908
Prob(F-statistic)	0.0015	0.05	0.0000
Durbin-Watson Stat	1.4276	1.8062	2.0415
Redundant Fixed Effects Test			3.5904 (0.0001)
Hausman		2.8651 (0.5806)	
Observations	1179	112	112

(All variables are significant at the 5% level. The probability values are in parenthesis)

Analyses of Regression Results

The result of the regression analysis presented in table 4.3 above shows the pooled, random effect and fixed effect regression analysis. The result of the redundant fixed effect with an F-statistic value of 3.5904 and probability value of 0.0001 from table 4.3 shows the pooled OLS is not adequate hence we proceed to test between the fixed and random-effects model. The result of the Hausman test in table 4.3 with a probability value of 0.5806 and a Chi-sq value of 2.8651 shows a preference for the random effect model. The result of the Hausman test accepts the null hypothesis of equality of coefficients between the random and fixed-effect model. The coefficient of multiple correlations of the pooled regression result is 0.1501 with an adjusted R-square of 0.1184. The fixed-effect model has a coefficient of multiple correlations of 0.4639 with an adjusted R-square of 0.3532. The coefficient of multiple correlations of the random effects model is 0.0804with an adjusted R-square of 0.0460. The adjusted R-square value of 0.0460 shows that about 4.6% of the systematic cross-sectional variation of the dependent variable timeliness of financial reporting is accounted for by the independent variables of board independence, board size, board gender and board diligence. The F-statistic value of 2.3388 obtained from the random effect model and the significant probability value of 0.05 shows that a significant linear relationship exists between the dependent variable and the independent variables.

Test of Hypotheses

Ho_1 There is no significant relationship between board independence and timeliness of financial statements.

The result from Table 4.3 shows that board independence (BI) does not affect the timeliness of financial statements (TIMS) at the 5% level of significance (β = -1.0158; P=0.3120). The result suggests that the independence of the board has no significant relationship with the timeliness of financial statements. The result provides support for the prediction in hypothesis 1 that there is no significant relationship between board independence and the timeliness of financial statements.

Ho_2 There is no significant relationship between board size and timeliness of financial statements.

The result from Table 4.3 shows that board size (BS) has a positive significant relationship to timeliness of financial statements at the 5% level of significance (β = 2.6935; P=0.0082). The result suggests that the larger the size of the board the longer will be the number of days taken to present the financial statements. The result fails to provide support for the prediction in hypothesis 2 that there is no significant relationship between board size and timeliness of financial statements

Ho_3 There is no significant relationship between board gender and timeliness of financial statements.

The result from Table 4.3 shows that board gender (BG) has a negative significant relationship with the timeliness of financial statements at the 5% level of significance (β =- 2.5459; P=0.0123). The result suggests that the larger the female presence on the board the shorter will be the number of days taken to present the financial statements. The result fails to provide support for the prediction in hypothesis 3 that there is no significant relationship between board gender and timeliness of financial statements.

Ho_4 There is no significant relationship between board diligence and timeliness of financial statements.

The result from Table 4.3 shows that board diligence (BD) has a positive significant relationship with the timeliness of financial statements at the 5% level of significance (β = 2.2420; P=0.0270). The result suggests that the more times the board meets the longer will be the number of days taken to present the financial statements. The result fails to provide support for the prediction in hypothesis 4 that there is no significant relationship between board diligence and timeliness of financial statements.

Discussion of Findings

The positive and significant relationship between board size and timeliness of financial statements is in tandem with the position of Mohamad- Nor et al. (2010) who opine that larger boards delay financial statements. But deviates sharply from the position of Zainal Abidin et al (2009) who believe that larger boards reduce timeliness. The negative and significant relationship between board gender and timeliness of financial statements. is in line with the position of Glat & Worthy (2010) who opine that gender differences will have behavioural effects which lead to better outcomes of financial statements, that is, the greater the gender diversity, the lesser the delay in financial reporting. Although, this deviates from the position of Hassan et al. (2015) that argued that women do not affect a company's performance in any way. In addition, the findings that board gender diversity is inversely related to the timeliness of presentation of financial reporting show it has greater influence in improving the timeliness in the presentation of financial reports. This finding confirms the conclusion by Omoro, Aduda and Okiro (2015) that demographic diversity in top management (TMT) improves financial reporting quality including the timeliness of the information released. The positive and significant relationship between board diligence and timeliness of financial statements is not in tandem with Tauringana (2008) who opines that companies which hold meetings frequently, publish their annual reports earlier.

5. Conclusion and Recommendation

The broad objective of the study was to investigate the relationship between board characteristics and timeliness of financial statements. 15 out of 22 listed commercial banks in Nigeria were used. Data were sourced from the annual financial reports of the banks. The study proxied board characteristics by board independence, the board size, board gender diversity and board diligence, while firm size was used as the control variable. The study has shown that there is no relationship between board independence and timeliness of financial reporting. Hence irrespective of the number of independent directors, the board may or may not take a longer time to present a financial statement s s.

The study has also shown that there is a positive relationship between director's number and the timeliness of financial reporting which shows that larger boards take longer to present financial statements than smaller boards. This can be explained by the need to create consensus amongst various board members which takes time and delays the process. There is, therefore, a need to ensure that the number of directors does not delay the timeliness of financial reporting.

The study concludes that boards that are balanced across the genders create consensus on time and release financial statements for the general good of the users. It is important to ensure that boards are balanced. The number of meeting the board has been established to not lead to improvements in the timeliness of financial reporting. Invariably, the more times the board meets to go over financial statements and performance, the longer it will take to release the financial statements. Thus, this study concludes that organisations with diligent board members do not necessarily guarantee the timely releasing financial statements. These study findings provide evidence that the characteristics of the board of directors are statistically significant in influencing the timeliness of financial reporting. Since the timeliness of financial reporting is a characteristic of the quality, the study concludes that corporate governance mechanisms are a prerequisite for improvements in financial reporting in Nigeria.

Based on the findings, it is recommended, that listed banks in Nigeria should sustain a reasonable small number of boards. This has become necessary since any increase in the size of the board will increase the delay in releasing the financial reports of the firms. More so, the frequency of meetings held by the board should be reduced. This is because, the higher the meetings held, the higher the delay it causes in the release of financial reports. This might be because, when the directors of the firm meet, they do not discuss issues that enhance the financial reporting processes.

The study also recommends that the quality of financial reporting should be a priority of policymakers and managers. It is sacrosanct for investors to get financial information on time to enable them to make prudent investment decisions. Hence, efforts should be made to improve the lag between financial year-end and the release of financial statements.

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