

# Corporate Governance and Timeliness of Corporate Reports of Listed Manufacturing Firms in Nigeria

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*Abstract- Timeliness in the rendition of the financial reports is one of the hallmarks of corporate governance as this allows the stakeholders to take a well-informed economic decision concerning the performance of every listed firm. Therefore, this study investigated the impact of corporate governance on timeliness of corporate reporting of listed manufacturing firms in Nigeria. The study employed “ex-post facto” research design because of the availability of published corporate reports for the period of study (2000 -2022) as contained in the Nigerian Exchange Group website and Fact Book 2022. The population of the study comprised all the 75 listed manufacturing firms as at 2022; while purposive sampling technique was employed to select 50 manufacturing firms based on the criteria of not being delisted and having an uninterrupted operation for the period of study. Quantile regression estimation technique was used to analyse the objectives of the study. The findings of the study reveal that firms with a larger board size (above average) have significantly longer audit delays (p-value 0.05). This effect holds true even for the firms with average or below –average audit delays. A higher proportion of independent directors on the board is associated with significantly shorter audit delays (p-value 0.05) across the entire spectrum of audit delay (from high to low). This suggests independent directors play a crucial role in ensuring timely reporting. The presence of more women on the board (gender diversity) does not statistically impact audit delay (p-value 0.05) for most parts of the distribution. While there is a significant effect for firms with the highest timeliness (shortest audit delays (p=15.0.0112), overall, gender diversity seems to have minimal influence on the audit timeliness in this context. The study concluded that Board independence has significant impact on the timely submission of financial reports, while there is no indication that having more women on corporate boards will improve the timeliness of corporate report. The study recommended that firms should evaluate the ratio of non-executive directors to ensure board independence which will in turn guarantee timeliness of financial reporting.*

**Keywords:** Timeliness, Financial Reporting, Corporate Governance, Board Size, Board Independence

## I. INTRODUCTION

Corporate financial reporting plays a crucial role in helping management fulfill her stewardship

obligation by producing and distributing audited annual reports and accounts. Among the most vital qualitative characteristics of accounting information, is the timeliness of these reports. Timeliness refers to how current or quickly the information is received and utilized, as well as its accessibility when it is needed. Globally, regulatory bodies and industry leaders are increasingly prioritizing the issue of timeliness. Prominent organizations such as the New York Stock Exchange (NYSE), the United States Securities and Exchange Commission (SEC), and NASDAQ have implemented strict guidelines and standards to ensure that financial reporting is delivered promptly (Abdelsalam & Street, 2007). Adhering to these standards not only enhances accountability but also fosters trust among stakeholders

One effective strategy to mitigate insider trading in emerging capital markets is ensuring the timeliness of financial data. Timeliness, as highlighted by Ku Ismail and Chandler (2004), is not only a critical component of accounting data value but is also a key metric for assessing audit quality (Leventis, et al 2005). Globally, accounting standards-setting organizations emphasize financial report timeliness as one of the most vital aspects of financial information, as delays can lead to significant costs for decision-makers and crucial stakeholders. Afify (2009) asserts that the timeliness of financial reports serves as a fundamental indicator of audit efficiency and underscores the necessity for prompt reporting. Furthermore, professional accountants, auditors, and regulators consistently recognize timeliness as a crucial characteristic of high-quality financial reporting (Eze & Nkak, 2020). Essentially, the timeliness of financial reports is quantified by the number of days between a company's financial year-end and the audit report date, playing a pivotal role in meeting the audit information needs of the stock market (Lai & Cheuk, 2005). Ensuring timely reporting not only enhances transparency but also contributes to market integrity.

Timely financial reporting is essential not only for maintaining investor trust but also for ensuring the smooth operation of the market. Investors often face challenges in accessing timely financial data due to information asymmetry stemming from delays in financial reporting, which can ultimately jeopardize market stability and influence investment decisions (Oseni, 2020). In recent years, corporate governance particularly the structure of the board has emerged as a critical factor affecting the timeliness of financial report production. This growing awareness has elevated corporate governance to a policy level, with codes increasingly focusing on board-related issues. Empirical research indicates that well-structured boards are associated with improved reporting timeliness (John & Senbet, 1998) and provide an objective perspective in decision-making (Bhagat & Black, 2001). Several elements are essential when evaluating a corporate entity's board structure or corporate governance framework. Factors such as board size, independence, diligence, and financial expertise play significant roles in influencing the speed at which financial reports are prepared. However, as noted by Oladipupo and Izedonmi (2009), delays in corporate financial reporting are often a shared responsibility between the board, management, and even the auditors. Management possesses considerable discretion in the financial reporting process, and external auditing cannot commence until they have a draft of the annual report and accounts ready. This highlights the importance of effective governance and oversight in ensuring timely financial disclosure.

Businesses must adhere to strict rules and deadlines for financial reporting, as failing to meet these obligations can lead to legal repercussions. However, maintaining compliance often proves challenging and time-consuming. Delays in corporate reporting can significantly impact various stakeholders. For investors, the absence of timely financial information complicates investment decisions, erodes trust, and fosters uncertainty in the market. This can adversely affect trading volumes and stock prices. Regulators rely on up-to-date financial data to assess companies' compliance with laws and regulations; thus, delays can hinder effective enforcement and oversight. Lenders and creditors also use this information to evaluate a company's creditworthiness (Eniola & Alo, 2020), meaning that reporting delays can negatively impact the company's reputation and bargaining power in financial negotiations.

Furthermore, timely information is essential for market efficiency. Delays create information asymmetry, allowing certain parties to access crucial data before others, which can skew market dynamics. Prolonged financial reporting delays can deteriorate a company's brand image and erode stakeholder confidence among customers, suppliers, and employees. Companies that consistently fail to meet reporting deadlines may face fines and sanctions, leading to further regulatory scrutiny and reputational damage (Mbobo & Umoren, 2016). In conclusion, ensuring timely financial reporting is vital for preserving trust and maintaining a competitive edge in the market. Numerous critical factors influence the timeliness of corporate reporting, as highlighted by extensive research. Key elements include company governance, organizational size, financial performance, and the regulatory landscape (Modugu, *et al* 2012). Larger corporations often grapple with more complex reporting systems due to their higher assets and revenues, which can lead to delays in reporting. However, the presence of independent directors and robust audit committees significantly enhances the timeliness of corporate disclosures (Emeh and Ebimobowei (2013a)). The value of timely corporate reporting cannot be overstated; it plays a vital role in shaping financial markets and influencing investor behaviour. Access to current information not only impacts the stock prices of publicly traded companies but also empowers investors to make well-informed decisions. Conversely, delays in reporting can trigger stock market volatility and result in considerable losses for shareholders (Al-Muzaiqer, *et al* 2018).

Openness and accountability in corporate governance are closely linked to the timely dissemination of corporate reports. Transparent reporting significantly enhances both the management and credibility of an organization (Pradipta & Zalukhu, 2020). In contrast, delays in reporting can heighten shareholder skepticism about the governance and integrity of the business (Oraka, *et al* 2019). Notably, corporate governance has seen advancements in Nigeria, mirroring improvements observed in numerous other countries. The adoption of global accounting standards and legislative reforms has fostered greater accountability and transparency in corporate reporting (Mbobo & Umoren, 2016). However, challenges persist, particularly for smaller businesses and those in less regulated sectors, which often

struggle to produce timely corporate reports (Abdullahi & Abubakar, 2020).

Though several studies had been carried out on the determinants of timeliness of financial reporting and they are often measured using the audit delay in Nigeria (Eniola & Alo 2020; Ilaboya & Iyafekhe, 2014; Modugu, *et al* 2012; Al-Muzaiqer, *et al* 2018; Pradipta & Zalukhu, 2020; Oraka, *et al* 2019; Mbobo & Umoren, 2016; Abdullahi & Abubakar, 2020; Eze & Nkak, 2020). The research discussed earlier employed Ordinary Least Squares (OLS) or panel regression to analyze the relationship between corporate governance and the timeliness of financial reporting. However, a significant limitation of OLS or panel linear regression is its failure to capture the varying effects of corporate governance on different levels of audit timeliness. This study seeks to fill that methodological gap by utilizing quantile regression analysis. Quantile regression allows for the estimation of changes across specific quantiles of the response variable, providing a more nuanced understanding of the entire distribution of corporate governance in relation to audit timeliness categories. By doing so, it enables a thorough assessment of how corporate governance impacts various audit timeliness percentiles.

This approach produces quantile estimates across different timeframes, allowing for a detailed examination of the effects of corporate governance at multiple points within the distribution of a firm's audit report timeliness. This methodology differs significantly from previous studies on corporate governance and financial reporting timeliness conducted in Nigeria, thus contributing meaningfully to the existing body of knowledge. Consequently, this study aims to bridge the identified gap by analyzing the influence of corporate governance on the timeliness of financial reporting specifically for Nigerian listed manufacturing companies.

#### Objectives of the Study

The broad objective was to assess the impact of corporate governance on timeliness of financial reporting of Manufacturing firms in Nigeria. The specific objectives were to:

- (i) assess how board size impact timeliness of financial reporting of listed Manufacturing firms in Nigeria;
- (ii) evaluate the impact of board independence on timeliness of financial reporting of listed Manufacturing firms in Nigeria and

- (iii) examine the effect of board gender diversity on timeliness of financial reporting of listed Manufacturing firms in Nigeria.

## II. LITERATURE REVIEW

### Corporate Reporting Timeliness

The firm's requirement to publish audited financial statements creates challenges with timely submissions due to the time needed for an external auditor to complete the audit. This results in what is known as audit delay (Rediyanto, *et al* 2017). A quite number of researchers have examined financial reporting timeliness from different perspectives such as (Sagin & Nikhil 2019; Herdjiono & Sutanti 2018; Ohiokha & Idialu 2017; Mbobo & Umoren, 2016; Paul & Waidi 2016; Harjoto, 2015; Alexander and Fatimoh, 2015; Mohammed, *et al* 2013). Audit delay, also known as financial statements issue delay, financial reporting lag, audit report lag, and timeliness, is an essential aspect of accounting that cannot be overlooked. Sadiq and Emmanuel (2017) highlight that the audited financial statements found in annual reports represent the most reliable source of information in both developed and emerging economies. This underscores the importance of timely financial reporting as a vital consideration for stakeholders. Furthermore, Mbobo & Umoren (2016) assert that the primary objective of financial reporting is to deliver crucial information about economic entities predominantly financial ones that aids in making informed economic decisions. Therefore, ensuring timely audits and reports is imperative for fostering trust and enabling sound decision-making. Financial reports provide a comprehensive overview of an entity's assets, liabilities, equity, income, expenses, owner contributions and distributions, as well as cash flows (Anis, 2014). This critical information is typically found in annual financial statements, which include the statement of financial position, income statement or statement of comprehensive income, statement of cash flows, statement of changes in equity, and accompanying notes (IASB, 2008). Prior research has delved into audit delay, also referred to as the timeliness of financial reporting, defined as the duration between the fiscal year-end and the audit report date (Herdjiono & Sutanti, 2018). In literature, audit delay is frequently described as the time a corporation takes to present its financial reports to shareholders during the Annual General Meeting following the fiscal closing date (Sagin & Nikhil, 2019). Harjoto (2015)

further characterized audit report delay as an indicator of the timeliness of corporate earnings reports and audit reports, emphasizing its significance in the financial reporting process.

Audit delay, as defined by Carslaw and Kaplan (1991), is the period that elapses between the end of the corporate fiscal year and the issuance of the audit report. They noted that both the initiation and completion times of the audit process are crucial factors influencing this delay. According to Paul and Waidi (2016), the Companies and Allied Matters Act (CAMA) of 2020 regulates the timeliness of financial reporting by providing a detailed framework for the structure and substance of corporate financial statements and disclosure requirements. Financial statements must adhere to the standards set forth by the Financial Reporting Council of Nigeria (FRCN) and comply with generally accepted auditing practices. Moreover, CAMA stipulates that all public limited liability companies are obligated to publish their audited financial statements in at least one national daily newspaper and to submit these documents to the Corporate Affairs Commission (CAC) within 42 days following their annual general meeting (Paul & Waidi, 2016). Additionally, every company is required to hold its annual general meeting as mandated by CAMA 2020, ensuring that shareholders receive the financial statements no later than fifteen months after the previous annual general meeting (Sections 417-419). This indicates that CAMA allows for a maximum reporting delay of 180 days in Nigeria, emphasizing the importance of timely disclosures in corporate governance.

In contrast to Nigeria, many industrialized nations have stricter timelines for financial reporting. For instance, the Istanbul Stock Exchange (ISE) requires corporations to publish their audited financial statements within fourteen weeks following the end of their fiscal year (Sagin & Nikhil, 2019). Similarly, to enhance market efficiency, the Securities and Exchange Commission in the United States has reduced the deadline for filing company financial statements from 90 days to just 60 days (Lehtinen, 2013). This shift underscores the notion that a shorter timeframe between the end of a company's financial year and the auditor's report can yield greater benefits from audited financial statements. Globally, accounting regulators, organizations, and authorities are increasingly focused on addressing the issue of audit report lag often referred to as audit delay

(Khaldoon, *et al* 2015). Given the importance of timely financial information for stakeholders, this study will explore various factors that contribute to audit delays, aiming to provide insights that can help improve the efficiency and effectiveness of the audit process.

Odjaremu & Jeroh (2019), Aifuwa *et al.* (2018), and Putri, Azhar, and Erlina (2017) all agree on the crucial role of timeliness in financial reporting, viewing it as a key qualitative characteristic of financial data. Timely financial information ensures that stakeholders can access relevant data to inform their decisions before it loses its value. We define timely reporting as the provision of both financial and non-financial information to policymakers or users before it becomes irrelevant. This notion is reinforced by Al-Muzaiqer *et al.* (2018), who argue that information lacks significance if it is not readily accessible to decision-makers. Moreover, timely financial reporting empowers better decision-making and reduces information asymmetry (Zaitul & Ilona, 2019). Additionally, research by Armand, *et al* (2020), Oraka *et al.* (2019), and Zaitul and Ilona (2019) illustrates that prompt financial disclosures significantly improve corporate performance and accountability by curbing insider trading, rumours, and information asymmetry. Recognizing the importance of timely financial reporting, authorities and regulators globally impose strict deadlines for public companies to submit their audited financial statements. These deadlines vary by region, emphasizing the differing regulatory environments. For instance, Ghafam & Yasnon (2018) report that the average reporting lags are fifty-five (55) days in the USA, sixty-four (64) days in the UK, and ninety-two (92) days in China. In contrast, Wan-Hussin, *et al* (2021) highlight those developing nations like Malaysia, Egypt, Oman, and Kenya experience reporting lags of 103 days, 72 days, 51 days, and 107 days, respectively. Timeliness in financial reporting is thus not only a regulatory necessity but a fundamental principle that fosters transparency and trust in the financial markets.

#### Corporate Governance

Governance can be understood as the mechanism through which authority is exercised to manage social and economic resources with the aim of fostering long-term human development. It addresses the leadership role within the institutional framework (Agyei-Mensah, 2018). As Amr and Ahmed (2008)

articulate, governance as "a vital ingredient in maintaining the dynamic balance between the need for order and equality in society," promoting efficient production and delivery of goods and services, ensuring accountability within the power structures, and safeguarding human rights and freedoms. According to Ben Kwame (2018), governance encompasses the systems, practices, and procedures that regulate institutions, as well as how these rules are applied, adhered to, and the resultant relationships formed by these regulations. While numerous definitions of corporate governance have been explored in prior research, a precise definition remains elusive in the contemporary scholarly landscape (Solomon, 2010). Cadbury (1992) defines corporate governance as "a system by which companies are directed and controlled," emphasizing the roles of key participants in an organization—shareholders, the board of directors, and auditors. This definition asserts that shareholders are responsible for appointing directors and auditors, thereby ensuring that the governance framework is appropriate. Directors, in turn, are tasked with managing the organization, while the primary duty of auditors is to provide an independent verification of the financial statements for shareholders. In summary, effective governance is essential to ensure accountability, transparency, and ultimately, the sustainability of corporate entities

Corporate governance is defined by Shleifer and Vishny (1997) as "the process by which providers of finance to corporations assure themselves of receiving a return on their investment." They emphasized that ownership concentration and the legal protection of investor rights play essential roles in limiting management's discretion, thereby enabling financiers to enjoy the benefits of their investments. In a similar vein, Denis (2001) describes corporate governance as comprising "the set of institutional and market mechanisms that induce self-interested managers (the controllers) to maximize the value of the residual cash flows of the firm on behalf of its shareholders (the owners)." This definition aligns with Cadbury's (1992) perspective, which underscores the dual aspects of directing and controlling firms. In contrast, Solomon (2010) expands the definition of corporate governance by integrating stakeholder concerns, characterizing it as "a system of checks and balances, both internal and external to companies, which ensures that companies discharge their accountability to all their stakeholders

and act in a socially responsible way in all areas of their business activity." This broader perspective highlights the importance of balancing the interests of various stakeholders, promoting not only accountability but also ethical behavior in corporate practices. Overall, these definitions illustrate the multifaceted nature of corporate governance and its significance in promoting sustainable corporate practices and protecting the interests of both shareholders and stakeholders alike

Furthermore, Nainawat and Meena (2013), as referenced in Amr and Ahmed (2008), note that corporate governance encompasses issues related to board composition and structure, the board's responsibilities, and the accountability framework that governs the board's relationship with stakeholders. It also involves how the board delegates management responsibilities throughout the organization. In recent years, the term "Corporate Governance" (CG) has gained prominence due to numerous high-profile corporate failures globally. Corporate governance reflects the moral, ethical, and value-centric framework that guides decision-making within companies. Specifically, when investors consider international opportunities, they seek assurance that their funds are not only managed prudently to foster wealth creation but that corporate decisions are made in a lawful manner, free from ethical conflicts (Nainawat & Meena, 2013). In today's competitive and interconnected market, effective corporate governance is fundamentally associated with the rule of law, accountability, transparency, and the protection of public interest in the management of a company's operations (Enofe, *et al*, 2015). This comprehensive approach to governance is essential for fostering trust among investors and stakeholders, ultimately contributing to the long-term success and sustainability of organizations.

#### Board Size

The board of directors plays a crucial role in overseeing not only internal management procedures and policies but also the integrity of the information presented to the public in the Financial Statements (Ofuan & Christian, 2014). As highlighted by Alexander & Fatimoh (2015), the size of the board stands out as the most significant characteristic of corporate governance. Despite this, the true impact of board size remains underexplored by experts. An appropriately sized board is essential for effective

decision-making, as it balances diverse perspectives and expertise. The ideal number of directors on a corporate board is a vital consideration; a small board allows for streamlined coordination but may lack the necessary depth of knowledge, while a larger board can struggle with effective collaboration (Matoussi & Chakroun, 2008). Ultimately, finding the right board size is key to enhancing corporate governance and ensuring sound decision-making processes.

In contrast, a smaller board with fewer members is often seen as more functional and easier to navigate within an organization's bureaucracy (Sigit & Erza, 2019). One significant drawback of a large board, as noted by Dimitropoulos and Asteriou (2010), is the communication and coordination challenge it presents, making it a less effective monitoring body compared to smaller boards. Additionally, the free-rider issue among directors exacerbates with larger boards, further complicating oversight. Therefore, determining the optimal board size for an organization is crucial, as both the quantity and quality of directors significantly influence board operations and, consequently, overall business performance. The Jordanian Corporate Governance Code emphasizes that the board size should be balanced—not too large, yet not too small—ensuring active and productive engagement among members who can effectively fulfill their roles. Furthermore, the Code stipulates that while companies have the discretion to decide the number of board members, it must consist of no fewer than five and no more than thirteen (Abed, Attar, & Suwaidan, 2012). Achieving this balance is essential for fostering effective governance and enhancing organizational success.

Empirical studies suggest that a corporation's size can influence both board size and firm performance. Yousef (2016) found that board size affects audit reporting time, indicating its role in overseeing timely financial disclosures. Sigit and Erza (2019) also uncovered a significant positive correlation between board size and audit delay, confirming that larger boards may experience longer reporting times. Ilaboya and Christian's (2014) investigation into corporate governance and audit report lag in Nigeria further emphasized this point, revealing that board size significantly impacts audit delays. Conversely, research by Alexander and Fatimoh (2015) in the Nigerian banking sector presented a contrasting view, identifying a negative correlation between board size and audit delay. Their findings suggest that smaller

boards can facilitate quicker access to audited financial reports, enhancing efficiency. Additionally, Mohamad-Nor *et al.* (2010) explored the relationship between board size and audit time lag among Malaysian companies, noting that while larger boards may exacerbate audit delays, this impact was not statistically significant. Furthermore, Ho and Wong (2001) examined the association between board size and voluntary publication, concluding that no significant relationship exists. Collectively, these studies highlight the complex dynamics between board size, audit delays, and corporate governance, suggesting that the ideal board composition may vary depending on the organization's context and objectives.

#### Board Independence

A corporate board comprising a majority of outside directors is recognized as independent (Eniola & Alo, 2020). Another way to assess board independence is by examining the ratio of independent directors to total directors (Freihat, *et al* 2019). Independent directors are believed to be more vigilant regarding the company's decisions and actions (Fama & Jensen, 1983). Research suggests that boards with a higher proportion of independent directors are better positioned to protect shareholders' interests, curb managerial opportunism, and enhance the company's stock price compared to those dominated by dependent members (Foroughi & Fooladi, 2012; Dharmadasa, *et al* 2014). The reasoning behind this is that outside directors typically have a greater capacity to advocate for shareholder interests than their internal counterparts (Ologun, *et al* 2020). Additionally, independent directors bring valuable expertise and insights that are essential for effective strategy implementation (Eniola & Alo, 2020). Their presence contributes to efficient oversight, which not only reduces agency costs but also fosters improved overall business performance. By leveraging their external perspective and diverse experiences, independent directors play a crucial role in enhancing corporate governance and driving the organization's success. The significance of outside directors is recognized even at the policy level, with corporate governance regulations emphasizing the necessity for a reasonable number of outside members on the boards of listed companies (Ilaboya & Christian, 2014). The presence of independent directors enhances the board's credibility and deliberations across various aspects of the business, particularly concerning the timely reporting of financial

statements. However, having independent directors does not automatically ensure effective governance oversight. There are concerns that some independent directors may be appointed solely to meet legal requirements without truly contributing to board dynamics. In some cases, these directors may develop close relationships with top management during their tenure, undermining their ability to remain truly independent.

Additionally, factors such as potential ties to the executives of the company that employs them can further compromise their autonomy (Beylem, *et al* 2023). Consequently, while independent directors are crucial for effective governance, their true impact depends on their genuine independence and commitment to act in the best interests of shareholders. As the children of chief executive officers, outside directors often risk overlooking the organization's primary mission, instead aligning their interests with those of top management. This is especially true in jurisdictions where the chief executive is the sole provider of information regarding prospective board nominees (Eniola & Alo, 2020).

Numerous studies highlight the crucial role of outside directors in corporate governance. Research shows that boards that are well-structured and comprise a suitable ratio of non-executive directors often deliver unbiased insights, especially in selecting audit committee members (Bhagat & Black, 2001). According to John and Senbet (1998), boards with a balanced mix of outside and inside members maintain a greater degree of independence from management compared to those dominated by insiders, thereby better protecting the interests of all stakeholders. On the flip side, Brennan (2006) argues that independent directors, being part-timers, may lack essential insider knowledge about the organization, which could compromise their ability to adequately perform their entrusted duties. In light of these considerations, the new corporate governance rules in Nigeria emphasize the necessity for non-executive directors to constitute the majority of the board and require them to appoint audit responsibilities and select an audit firm to ensure timely preparation of audit reports (Ilaboya & Christian, 2014). This approach aims to enhance accountability and transparency within corporations.

#### Board Gender Diversity

The foundation of gender diversity literature rests on the belief that women bring distinct qualities to the board, significantly enhancing oversight of managerial decision-making (Ben Kwame, 2018). According to agency theory, boards with a mix of gender and racial backgrounds can improve managerial oversight and bolster board independence (Elzahar & Hussainey, 2012). However, it's important to recognize that a diverse executive team could also present challenges for the organization. Resource dependency theorists argue that including women on the board provides access to a wider range of perspectives, ideas, and experiences. Gender advocates suggest that women, being skilled monitors, should play a crucial role on oversight panels such as the audit committee (Gospel & Ngozi, 2019). Diversity within the board promotes innovation and creativity in decision-making, ultimately contributing to the organization's financial success. The presence of diverse directors brings unique skill sets, experiences, and complementary knowledge, enhancing the quality of information available to management (Eniola & Alo, 2020). Furthermore, diverse directors can facilitate access to valuable external resources and networks, thereby expanding opportunities for profitability. Women, in particular, are thought to pose challenging questions that their male counterparts may hesitate to raise, which enhances the board's ability to critically evaluate management practices (Beylem, *et al* 2023). This critical engagement ultimately strengthens the organization's governance and performance.

The growing recognition of the insufficient representation of women on corporate boards and in upper management highlights its detrimental effects on both social and financial outcomes for companies (European Commission, 2010). In response, business agencies worldwide have revised corporate governance standards to promote the inclusion of women within governance structures (Eniola & Alo, 2020). While there has been a recent uptick in women's participation in middle management, progress in corporate governance remains limited globally. Nonetheless, women can play a critical role in shaping decisions related to key organizational practices, including environmental policies and corporate social responsibility. Their presence on boards can provide valuable insights into strategic management tasks (Eniola & Alo, 2020). As a result, it is expected that boards with a higher percentage of

female directors will be more effective in executing strategic control responsibilities (Nielsen & Huse, 2010). This increased representation not only enhances the board's decision-making capabilities but also fosters a more inclusive and forward-thinking corporate culture.

## Theoretical Review

### Agency theory

Jensen and Meckling introduced the agency hypothesis in 1976. The goal of the theory was to examine the interaction between managers and business owners. The foundational tenets of agency theory are that individuals behave in their own self-interest and that, in typical circumstances, the objectives, concerns, and risks of a principal and an agent are different. According to agency theory, the principal and agent have different interests, which the principal can regulate or lessen by providing incentives to the agent and incurring costs from actions intended to keep an eye on and restrict the agent's self-interested behaviour (Jensen and Meckling, 1976). The background for the operation of the agency theory is provided by the division of ownership and management in contemporary organisations, claim Emeh and Ebimobowei (2013b). The fundamental structure of a cooperative principal and agent with different objectives and risk-taking philosophies is reflected in the notion of the agency relationship. The primary tenet of agency theory is that managers are often driven by the desire to maximise shareholder profit and further their own personal interests. The information dominance that management enjoys as insiders causes information asymmetry as a result of this agency dilemma. It has been suggested that information asymmetry causes an unfavourable selection issue that lowers the firm's market value and deprives shareholders of their money. Therefore, governance mechanisms like board subcommittees made up of directors with the right qualities, like independence, expertise, and experience, are necessary to prevent or lessen the agent's selfish interest in order to reduce information asymmetry (Wiseman *et al.*, 2012). The risk of violation of confidence in the agency relationship between owners and managers of resources is also a factor for the advocacy of financial reporting timeliness.

According to agency theory, there will always be a latent conflict between managers and shareholders

when a management does not own all of the company's stock. According to Wu *et al.* (2014), this principal-agent relationship gave agents the ability to decide strategically on how to run the business. As the person with authority, the principal requires accountability reports from the agents. Financial statement presentation is one type of agency obligation. The principal receives information from the financial statements on the company's cash flow, capital changes, operational outcomes, and financial status during a given time period. An independent party conducting an audit and promptly reporting the findings, whether on time or later, is another way the principal exercises control (Syarifata & Muhammad 2018). Delays in the audit will undoubtedly lead to issues in the principal-agent relationship (Lailah & Indra 2020). Jensen & Meckling (1976) state that the expenditures incurred by shareholders to keep an eye on the manager's activities are a portion of the agency costs. The external audit effort is a significant part of these expenses because it is unacceptable to publish financial statements before an external auditor, or certified public accountant, has reviewed them. This is because auditors are required to examine the company's accounts and ensure that managers act in the best interests of shareholders. Therefore, if the agency's difficulties are significant, it may be assumed that auditors will spend more time reviewing the managers' activities, which will lengthen the audit report lag (Azubike & Aggreh, 2014). Therefore, agency theory is pertinent to this study in that it emphasises the need of audit quality due to the ongoing conflict of interest between managers and resource owners.

### Stakeholder Theory

According to Carroll (1993), cited in Schilling (2000), the term "stakeholder" can refer to a wide range of individuals, including everyone who has a direct or indirect "stake" in the company. The agency theory gave rise to the stakeholder theory (Ohiokha & Idialu, 2017). Every entity, according to the theory, involves interactions between more than just the principals and their agents. Everyone with an interest in the entity's affairs, including the government, creditors, and the host community, interacts in such a relationship. This indicates that the entity is under more informational pressure (Ohiokha & Idialu, 2017). Shareholders, staff members, investors, clients, and suppliers who share the company's interests are considered direct stakeholders.

The government, which is impacted by the business's operations indirectly, is an example of an indirect stakeholder (Kiel & Nicholson, 2003). Stakeholder theory is defined as follows by Clarke (2004). Organisations are defined by stakeholder theory as multilateral agreements between the business and its various stakeholders. Formal and informal norms that have been formed over the course of the partnership frame the interaction between the organisation and its internal stakeholders, including employees, managers, and owners.

Although shareholders may provide funding to management, they rely on staff to achieve the company's productive goals. Customers, suppliers, and the community are examples of external stakeholders who are equally significant and subject to statutory and informal regulations that businesses must abide by (Paul & Waidi, 2016). The agency view, which holds that the board of directors should protect the interests of shareholders, is expanded upon by stakeholder theory. The interests of numerous stakeholder groups, such as those pertaining to social, environmental, and ethical issues, have been taken into consideration in place of the previous exclusive focus on shareholders (Paul & Waidi, 2016). According to Sundaram and Inkpen (2004), shareholder value amplification is important since it is the only goal that influences choices that improve outcomes for all parties involved. They contend that it is impossible for managers to identify all of the stakeholders and their guiding principles. In order to defend the interests of all stakeholders, it is anticipated that external auditors would spend more time examining the managers' actions. Therefore, if stakeholders are really interested, the audit process will take longer to finish. The stakeholder perspective's proponents contend that maximising shareholder value will result in the transfer of value from non-shareholders to shareholders. Information should be accessible to all stakeholders as needed to ensure their satisfaction (Paul and Waidi 2016). Thus, timeliness is crucial in this context.

#### Empirical Review

The research conducted by Baatwah, *et al* (2017) provides empirical evidence from the Middle East and North Africa (MENA) region to assess the hypothesis that corporate governance practices are associated with the timeliness of audit reports. The results derived from a panel data analysis indicate no significant correlation between board independence

and the timely issuance of audit reports. In a similar vein, Ilaboya and Iyafekhe (2014) investigated corporate governance and audit report lag in Nigeria. Using Ordinary Least Squares (OLS) regression along with descriptive statistics for correlation analysis, they found that board independence did not significantly influence the lag in audit reports. Additionally, Ibadin, *et al* (2012) conducted an experimental examination of the relationship between corporate governance, corporate characteristics, and timeliness in Nigeria, utilizing a sample of 118 companies listed on the Nigerian Exchange Group. Their analysis concluded that there was no meaningful correlation between audit delay and board independence. Furthermore, Hashim and Rahman (2010) also reported no connection between the lag in audit reports and board independence. Collectively, these studies suggest a consistent finding that board independence does not appear to play a significant role in decreasing audit report delays in these contexts

The Nigerian Corporate Governance Code emphasizes that the size of the board should be balanced—neither too large nor too small—to facilitate active and productive participation from members who can effectively fulfill their roles. The Code stipulates that while firms have the discretion to determine the number of board members, it must consist of no fewer than five and no more than thirteen members (Abed, *et al* 2012).

The topic of board size has garnered attention in various studies over the years. Determining the optimal size for a board of directors presents a challenge; while larger boards may face coordination issues, smaller boards may lack the necessary expertise and experience despite offering better coordination (Matoussi & Chakroun, 2008). In this context, Lipton and Lorch (1992) argued that smaller boards can enhance performance, suggesting that an ideal size would be seven or eight members, as larger boards can become difficult for the CEO to manage effectively. Ezelibe, *et al* (2017) conducted a study examining the impact of corporate governance on audit delay for quoted companies in Nigeria, specifically exploring the relationship between board size and audit delays. Their insights contribute to the ongoing discussion regarding the optimal board composition for effective corporate governance and timely financial reporting. The study engaged fifteen companies in the consumer products industry that were listed on the Nigerian stock exchange between

2012 and 2016, aiming to investigate the relationship between board size and audit delays. The results indicated a significant correlation between the size of the board and the audit delay faced by Nigerian corporate firms. Additionally, Hussaini & Tivde (2023) assessed the influence of various corporate governance characteristics on the timeliness of financial reporting for Nigerian listed companies. Their study meticulously examined governance aspects including board independence, board size, and gender diversity, employing an ex post facto research design. The research population consisted of all conglomerates listed on the Nigerian stock exchange between 2012 and 2021, from which a sample of 64 companies was selected. A balanced panel data set was compiled from the financial statements of these 64 Nigerian businesses covering the years 2012 to 2021, focusing on audit report lag as a measure of financial reporting timeliness.

The findings from the logistic regression analysis revealed that both board size and independence had a statistically significant impact on the timeliness of financial reporting among Nigerian listed companies. Conversely, board gender diversity did not demonstrate a notable effect on financial reporting timeliness. Overall, the study concluded that corporate governance plays a crucial role in influencing the speed at which financial reports are prepared and published by publicly traded companies in Nigeria. Ni Putu, *et al* (2020) examine the connection between timely financial statement publication and sound corporate governance. All companies listed on the Indonesia Stock Exchange that were part of the 2016–2018 Corporate Governance Perception Index rating were the subjects of this study. Purposive sampling, a nonprobability sampling technique, was used to choose the sample. For the years 2016–2018, the CGPI rank incorporates a set of sample criteria.

Data from 19 distinct companies, totaling 41 observations, made up the samples that were gathered. Logistic regression analysis was part of the data analysis methodology. According to the study, GCG has no effect on how quickly financial statements are published. Furthermore, the impact of GCG on the timeliness of financial statement release cannot be controlled by the public accounting firm's quality when utilized as a control variable.

The study by Mohammed and Che-Ahmed (2017) looks at how corporate governance traits affect the

audit report lag (ARL) of Nigerian listed banks. The study made use of fourteen banks. The study's five-year timeframe is 2008–2012. The study's results, which were derived from a robust ordinary least squares model, show that board size and ARL are significantly positively correlated. Board size was found to have a significant impact on audit report latency by Ilaboya and Iyafekhe (2014). The effect of corporate governance on the timeliness of financial statements of Nigerian quoted companies is examined by Appah and Emeh (2012).

The findings showed a strong correlation between board size and financial report timeliness. Ezat (2009) investigated the primary determinants of corporate online reporting timeliness for Egyptian firms listed on the Egyptian Exchange. The study discovered a strong correlation between board size and the promptness of corporate reporting. However, the study by Yoke, *et al* (2017) examines how corporate governance factors affect the latency of audit reports for 250 publicly traded businesses in Malaysia. Board size did not significantly correlate with audit report lag, according to the results of multiple linear regression. The study by Baatwah, *et al* (2017) examines the relationship between corporate governance practices and the timeliness of audit reports using empirical data from the Middle East and North Africa (MENA). The study shows that there is no significant correlation between board size and the timeliness of audit reports using a panel data approach. Wu, *et al* (2008) looked into how corporate governance affected the delay in audit reports. According to the study, timely yearly reports and board size are not significantly correlated. The relationship between corporate governance, corporate qualities, and timeliness in Nigeria, a developing nation, is experimentally examined by Ibadin, *et al* (2012). The study relied on descriptive statistics and Ordinary Least Square (OLS) regression analysis with a sample of 118 listed companies on the Nigerian Stock Exchange (NSE). Board size did not significantly correlate with audit delay, according to the study. The findings of Hashim and Rahman (2010) showed that board size and audit report lag did not significantly correlate.

Raweh, *et al* (2019) used data from 255 businesses listed in the Muscat Securities market between 2013 and 2017 to investigate and empirically support the relationship between audit committee features and audit report latency. According to multivariate

analysis, audit report latency is positively correlated with audit committee size, and audit lag is decreased by audit committee financial knowledge. Nevertheless, the study was unable to identify any proof linking audit report delays to board gender diversity or meetings.

A study on the timeliness of corporate financial reporting and audit committee features in the Nigerian insurance sector was carried out by Chukwu & Nwabochoi (2019). Investigating the impact of audit committee features on the promptness of corporate financial reporting in the Nigerian insurance sector was the aim of this study. Using secondary data taken from the annual reports of fifteen insurance companies listed on the Nigerian Exchange Group between 2012 and 2015, the study used an ex post facto research design. Using multiple regressions and the Ordinary Least Squares approach, four hypotheses were developed and examined. They discovered a weak but unfavourable correlation between the timeliness of company financial reporting and the gender of the audit committee.

Ben Kwame (2018) looked into the effects of financial reporting lag and a few other corporate governance characteristics on the financial performance of Ghanaian listed companies. The study makes use of 90 firm-year data for GSE-listed companies from 2012 to 2014. The financial reporting lag was determined by analysing and coding each annual report separately. The background statistics for the variables under investigation were obtained by descriptive analysis. Regression analysis, the primary data analysis method, came next. According to the descriptive statistics, the average timeliness of financial reporting (ARL) during the course of three years was 86 days (SD 21 days), with a minimum of 55 days and a maxi. of 173 days.

According to the findings of the regression study, there is a statistically significant negative correlation between board gender diversity and financial reporting latency.

An empirical study of audit committee characteristics and financial reporting lag in the Nigerian banking industry was conducted by Akhor & Oseghale (2017). The study's goal was to find out how audit committee characteristics and financial reporting lag in the Nigerian banking industry are significantly

correlated. The research specifically examined the noteworthy correlation among audit committee independence, audit committee meetings, and audit committee gender.

In order to gather secondary data from the quoted banks in the Nigerian Exchange Group across a five-year period from 2011 to 2015, the study used a quantitative and longitudinal research design. For the data analysis, descriptive statistics, the Ramsey Reset test, and ordinary least square regression were used. The empirical study's conclusions demonstrated that there is no meaningful correlation between audit committee gender and financial reporting lag.

The impact of board independence, board size, CEO duality, board diligence, board financial knowledge, and audit committee presence, together with the sector type, on the promptness of financial reporting among a subset of Jordanian companies was investigated by Khaldoun, *et al* (2015). Management report lag (MRL) and audit report lag (ARL) were used to gauge how timely the financial reports were. 112 companies that were listed on the Amman Stock Exchange in 2011 and 2012 were included in the study. The ARL model's findings showed that there is no positive correlation between board gender diversity and management report latency.

In both industrialized and developing nations, a number of studies have discovered a strong correlation between the size of the company and the audit delay.

The study by Deborah, *et al* (2020) examines experimentally the connection between Nigerian financial reporting timeliness and corporate governance characteristics. The study made use of secondary data from the annual reports of eighteen companies that, as of December 31, 2018, were listed on the Nigerian Exchange Group. The financial reporting time lag was selected as the dependent variable for analysis, while board size, board independence, and audit committee independence were the corporate governance characteristics being examined.

Gap in the literature

The empirical review predominantly examines the impact of corporate governance on the timeliness of financial reporting; however, it has largely focused on financial firms, with little attention given to non-financial companies. Previous studies conducted

between 2001 and 2019 highlight the need for a more contemporary analysis. Given the dynamic nature of corporate environments, which include shifts in regulations and advancements in technology, a more recent and comprehensive study could yield more pertinent insights. Consequently, this research covers the financial years from 2000 to 2022. The review includes a variety of methodologies, such as descriptive statistics, correlation analysis, ordinary least squares (OLS) regression, and panel data approaches. To address the existing methodological gap, this study employs quantile regression analysis, which allows for the estimation of changes at specific quantiles of the response variable. This approach provides a nuanced understanding of how corporate governance influences financial reporting timeliness across different distribution levels, making the findings more relevant in today's rapidly evolving corporate landscape.

### III. METHODOLOGY

This study utilized an *ex-post facto* research design, which involves making predictions about potential reasons for an impact that has already occurred. All manufacturing companies quoted on the Nigerian Exchange Group floor make up the study's

population. About 55 of these businesses are listed on the Exchange Group as of December 2022. This study adopted simple random sampling techniques to sample Fifty (50) manufacturing firms from all the listed Manufacturing firms, the justification for focusing on the 50 manufacturing firms is because that all the firms were not delisted for the period of study and at the same time they all have uninterrupted operations for the period. For this investigation, secondary data was employed. The information was taken from the corporate annual reports of the selected businesses that were listed on the Nigerian Exchange Group for the fiscal years 2000–2022. Only corporate annual reports are used by the researcher since they are easily accessible, publicly available, and offer a higher chance of outcomes being comparable.

#### Model Specification

The study's main goal was to investigate Corporate Governance and Timeliness of Corporate Reports of Listed Manufacturing Firms in Nigerian. According to the study's objectives, the models under investigation are shown in both their functional and econometric forms. The models are based on research by Panda *et al*, (2019) and Meynhardt & Gomez (2019). The models are shown below.

$$TIML = f(CORP) \text{ ----- (3.i)}$$

$$TIML (TIML) = f(BDS, BIND, BGD) \text{ ----- (3.ii)}$$

$$TIML_{it} = \lambda_0 + \lambda_1 BDS_{it} + \lambda_2 BIND_{it} + \lambda_3 BGD_{it} + \lambda_4 LEV_{it} + \lambda_5 FSIZE_{it} + u_{it} \text{ ----- (3.iii)}$$

Where;  $TIML_{it}$  = Timeliness,  $BDS$  = Board Size,  $BIND$  = Board Independence,  $BGD$  = Board gender diversity,  $LEV$  = Leverage,  $FSIZE$  = Firm size

$\lambda_1, \lambda_2$  &  $\lambda_3$  = Coefficient of explanatory variables

$u$  = Standard error

$i$  = Cross sectional (Firms)

$t$  = Time Series

A priori expectation is with extant literature to be  $\lambda_1, \lambda_2, \lambda_3, <0; \lambda_4 > 0$

Measurement of Variables.

Table 3.1: The Definition and Measurement of Variables

Variable	Definition	Measurement	Source
L	Timeliness	Period from year-end date to AGM date.	Oladipupo and Izedonmi (2009)
BDS	Board size	Number of individuals on the board.	Ilaboya and Iyafekhe (2014)
BIND	Board Independence	Number of non-executive directors on the board.	Matoussi & Chakroun, (2008).
BGD	Board gender diversity	Female to male ratio on the board	Habib and Hossain (2012)
FSize	Firm size	Log of total assets	Ilaboya and Iyafekhe (2014)
Lev	Leverage	Profit after tax	Akle (2011)

Source: Researcher's Compilation (2023)

IV. RESULTS AND DISCUSSION

Table 2. Descriptive Analysis

	Mean	Max	Min	Std. Dev.	J.B	Prob
TIML	203	224	90	88.76594	769010.1	0.00
BDS	8.958391	19	4	2.517371	55.41627	0.00
BDIND	0.657892	1	0	0.1601	73.84478	0.00
BDOWN	0.146301	0.8444	0	0.202482	257.4671	0.00
BGD	0.091012	0.44	0	0.095332	92.77069	0.00
LEV	0.609248	2.03	0.12	0.230387	813.3323	0.00
FSIZE	7.04154	9	5.09	0.75239	8.230166	0.016

Source: Researcher's Computation (2023).

The variables' descriptive statistics are displayed in Table 2, and as can be seen, the data's descriptive statistics are shown in Table 4.1 above. As can be seen, the mean TIML is 203 days, with maxi. and minimum values of 224 and 90 days, respectively. BDS has mean of approximately nine (9) members with a standard deviation of 2.75 indicating the extent of dispersion from the mean. Though there is yet no consensus on what an optima board size should be, the argument is that board size should reflect all stakeholder/shareholder interest. The maximum and minimum values stood at 19 and 4 respectively. With a standard deviation of 0.16 and a mean value of 0.66, BDIND shows that, on average, almost 66% of board members are independent. This ratio is admirable and, when used appropriately, can increase board objectivity, lower agency costs, and enhance the company's and the board's reputation. This was somewhat higher than the means observed in research by Li and Song (2013), Amran and Che Ahmad

(2009), and Ajibolade and Uwuigbe (2013), which were 0.414, 0.548, and 0.46, respectively. The distribution's typical companies have about 0.09% female board members, according to the mean for Board gender diversity (BGD), which is 0.091. According to this, there is still a relatively low level of gender representation on Nigerian corporate boards. As a result, businesses should start boosting the number of women and the gender mix on their boards in order to comply with the worldwide trend towards gender-balanced boards. Using the log of total assets, the mean for firm size (FSIZE) is 7.057, with a standard deviation of 0.78. The range of the assets is 5.09 at the lowest and 9.2 at the highest. The mean total assets are similar to the 7.65 mean total assets reported by Che-Ahmad and Osazuwa (2015). With a standard deviation of 0.23 and an average of 0.61, leverage ranges from a minimum of 0.00 to a maxi. of 2.03.

Table 3: Pearson Correlation Result

Probability	AUDL	BDIND	BDS	BGD	FSIZE	LEV
TIML	1					
BDIND	-0.0564	1				
Prob	0.1309	-				
BDS	-0.0727	0.1405*	1			
Prob	0.0515	0.000				
BGD	-0.0218	-0.0233	0.076*	1		
Prob	0.56	0.5321	0.041			
FSIZE	0.096*	-0.0584	0.445*	0.1295	1	
Prob	0.0104	0.1176	0.000	0.000		
LEV	0.0548	-0.009	-0.094*	-0.013	-0.062	1
Prob	0.1423	0.792	0.012	0.738	0.0944	

Source: Researcher's computation (2023) using Eviews 10. \* sig @ 5%

The variables' correlation coefficients are analysed from table 4.2. The relationship between the independent factors and tax aggression measures, however, is of special importance to the study. As can be seen, TIML and BDIND have a negative correlation ( $r=-0.056$ ), however it is not significant at 5% ( $p=0.1309$ ). BDS and TIML have a negative correlation ( $r=-0.0727$ ) that is significant at 10% ( $p=0.052$ ). Although not significant at 5% ( $p=0.56$ ), there is a negative correlation between BGD and TIML ( $r=-0.0515$ ). Regarding the control variables,

FSIZE and TIML have a positive correlation ( $r=0.0955$ ) that is significant at 5% ( $p=0.0104$ ), whereas LEV and TIML have a positive correlation ( $r=0.0548$ ) that is not significant at 5% ( $p=0.1423$ ). Regression analysis is more appropriate for this purpose, and correlation analysis offers some insight into the strength and direction of the relationship between the variables, but it is limited in its ability to infer because it does not imply functional dependence and, therefore, causality in a strict sense.

Table 4. Quantile Regression Estimates for HRD-Index

	Quantile	Coefficient	Std. Error	t-Statistic	Prob.
C	0.100	-4.171142	3.654235	-1.141454	0.2541
	0.200	-12.35340	4.703639	-2.626349	0.0088*
	0.300	-22.55272	6.441310	-3.501263	0.0005*
	0.400	-37.28340	7.727465	-4.824791	0.0000*
	0.500	-55.98262	9.933150	-5.635939	0.0000*
	0.600	-89.76468	17.17229	-5.227298	0.0000*
	0.700	-120.5384	16.96851	-7.103652	0.0000*
	0.800	-156.1496	20.75613	-7.523061	0.0000*
	0.900	-287.6430	40.70625	-7.066311	0.0000*
BDS	0.100	0.790763	1.060416	0.745711	0.4561
	0.200	2.673669	1.266307	2.111391	0.0351*
	0.300	5.498456	1.863877	2.950010	0.0033*
	0.400	7.514402	2.011697	3.735355	0.0002*
	0.500	12.85260	3.892944	3.301513	0.0010*
	0.600	20.44331	7.578078	2.697690	0.0072*
	0.700	28.95340	9.569926	3.025458	0.0026*
	0.800	31.26331	14.08529	2.219571	0.0268*
	0.900	36.84152	15.71734	2.344004	0.0194*
BGD	0.100	0.005660	0.762923	0.007418	0.9941
	0.200	-0.528997	0.992280	-0.533113	0.5941
	0.300	-0.104167	1.059326	-0.098333	0.9217
	0.400	-1.486534	1.384364	-1.073803	0.2833
	0.500	-2.736377	1.712342	-1.598032	0.1105
	0.600	-1.050323	2.362078	-0.444660	0.6567
	0.700	-0.295322	3.111706	-0.094907	0.9244
	0.800	7.637149	15.13753	0.504518	0.6141
	0.900	34.67851	13.63035	2.544213	0.0112*
BDIND	0.100	0.633505	0.563363	1.124505	0.2612
	0.200	2.271577	0.725108	3.132741	0.0018*

0.300	4.055147	0.998349	4.061853	0.0001*
0.400	6.596904	1.205117	5.474076	0.0000*
0.500	9.753827	1.568201	6.219755	0.0000*
0.600	15.28499	2.866646	5.332012	0.0000*
0.700	20.78613	2.716496	7.651818	0.0000*
0.800	26.25933	3.855296	6.811235	0.0000*
0.900	45.29554	6.731320	6.729073	0.0000*

Source: Researcher's compilation (2023) \* sig @ 5%, \*\*sig@10

The quantile regression technique is particularly advantageous because, unlike panel regression, which is limited to mean regression and does not reveal how an independent variable impacts various levels of the dependent variable, quantile regression estimates changes across specific quantiles of the response variable. By focusing on conditional quantiles, this method allows for a more comprehensive examination of the entire distribution of the independent variable in relation to the dependent variable. For instance, the distributional dynamics for TIML reveal that the effect of Board Diversity Size (BDS) is significant at the 5% level for businesses with high levels above the sample average at Q[0.2] ( $p=0.0351$ ), Q[0.3] ( $p=0.0033$ ), and Q[0.4] ( $p=0.00002$ ). This indicates a notable influence of BDS on the timeliness of financial reporting in these higher quantiles. For enterprises at sample average levels, such as Q[0.5], and even below average levels at Q[0.6], Q[0.7] ( $p=0.0026$ ), Q[0.8] ( $p=0.0027$ ), and Q[0.9] ( $p=0.0194$ ), the effect of Board Diversity Size (BDS) remains significantly impactful at the 5% level. This consistency suggests that the influence of BDS does not diminish regardless of the duration a company takes to report. The positive coefficient across all quantiles indicates that an increase in BDS positively affects the timeliness of financial reports. Consequently, the null hypothesis—that BDS has no discernible impact on maximizing shareholder wealth—is rejected. Our findings align with those of Ezelibe, *et al* (2017), who examined the relationship between corporate governance and audit delays in Nigerian quoted businesses. Their study focused on fifteen companies in the consumer products sector listed on the Nigerian Stock Exchange from 2012 to 2016, revealing a significant correlation between audit delays and board size. Additionally, the study by Mohammed and Che-Ahmed (2017) investigated the impact of corporate governance characteristics on the audit report lag (ARL) of Nigerian listed banks, utilizing data from fourteen banks over a five-year

period from 2008 to 2012. Their findings similarly underscore the importance of corporate governance in influencing audit-related timelines. The study's findings, derived from a robust ordinary least squares model, reveal a significant positive correlation between board size and audit report lag (ARL). This aligns with the work of Ilaboya and Iyafekhe (2014), who also found that board size significantly impacts audit report latency. Appah and Emeh (2012) examined the influence of corporate governance on the timeliness of financial statements in Nigerian quoted companies and discovered a strong correlation between board size and the promptness of financial reporting. Similarly, Ezat (2009) explored the primary determinants of corporate online reporting timeliness for Egyptian firms listed on the Egyptian Exchange, finding a notable correlation between board size and the timeliness of corporate reporting. In contrast, our results differ from those of Yoke *et al.* (2017), who investigated the effects of corporate governance factors on audit report latency for 250 publicly traded companies in Malaysia. Their multiple linear regression analysis indicated that board size did not significantly correlate with audit report lag. Additionally, the study by Baatwah, *et al* (2017) focused on the relationship between corporate governance practices and audit report timeliness in the Middle East and North Africa (MENA) region. This study also concluded that there was no significant correlation between board size and the timeliness of audit reports, utilizing a panel data approach. Wu, *et al* (2008) investigated the impact of corporate governance on delays in audit reports and concluded that there is no significant correlation between timely annual reports and board size. Similarly, a study by Ibadin, *et al* (2012) explored the relationship between corporate governance, corporate characteristics, and timeliness in Nigeria—a developing nation. This research utilized descriptive statistics and Ordinary Least Squares (OLS) regression analysis with a sample of 118

companies listed on the Nigerian Exchange Group, finding that board size did not significantly correlate with audit delays. Furthermore, the findings of Hashim and Rahman (2010) supported this notion, indicating that board size and audit report lag also showed no significant correlation. On the other hand, the distributional dynamics for TIML reveal that for businesses with relatively high timeliness levels above the sample average at Q[0.2] ( $p=0.0018$ ), Q[0.3] ( $p=0.0001$ ), and Q[0.4] ( $p=0.0000$ ), the influence of Board Independence (BDIND) is significant at the 5% level. This suggests that for companies positioned in the top quantile of the timeliness distribution, board independence significantly affects the timeliness of financial reports. Furthermore, firms at sample average levels (Q[0.5]) and those below average (Q[0.6], Q[0.7] ( $p=0.0026$ ), Q[0.8], and Q[0.9] ( $p=0.0194$ )) similarly showcase a substantial effect of board independence. Thus, the estimations indicate that the impact of board independence on timeliness is highly evident across the entire statistical distribution of timeliness data.

Thus, board independence emerges as a crucial factor for companies that struggle with the timeliness of their financial reporting. The positive coefficient observed across the distribution suggests that companies can significantly enhance the timeliness of their financial reports by appointing more independent directors. Consequently, the null hypothesis—that board independence has no discernible impact on financial reporting timeliness is rejected. These findings align with those of Afify (2009), who identified a significant correlation between an independent board and audit report lag. Afify's study highlighted that the monitoring role of an independent board positively influences both the timeliness and quality of financial disclosures while facilitating efficient audits that help mitigate significant delays in audit reporting. Similarly, Abdelsalam and El-Masry (2008) demonstrated a strong correlation between board independence and the promptness of financial internet reporting. Moreover, Beasley and Petroni (2001) argued that a higher percentage of independent directors on the board leads to the engagement of more specialized major auditors, suggesting that a greater number of independent board members correlates with timely financial reporting. Wu (2008) found that boards with a higher proportion of independent directors' experience reduced report lag, which is associated

with reduced time spent verifying corporate events. Furthermore, Ezat (2009) established a strong correlation between board independence and corporate reporting timeliness, reinforcing the idea that independent governance can significantly enhance financial reporting efficiency.

However, the study by Baatwah, *et al* (2017) offers actual data from the Middle East and North Africa (MENA) to evaluate the hypothesis that corporate governance practices are linked to the timeliness of audit reports. The results of a panel data technique indicate that there is no significant correlation between board independence and the timeliness of audit reports. Corporate governance and audit report lag in Nigeria are examined by Ilaboya and Iyafekhe (2014). Ordinary Least Square (OLS) regression and descriptive statistics correlation were used to analyse the data. They discovered that the lag in audit reports was not significantly impacted by board independence.

The relationship between corporate governance, corporate qualities, and timeliness in Nigeria, a developing nation, is experimentally examined by Ibadin, *et al* (2012). Utilising a sample of 118 Nigerian Exchange Group-listed businesses. According to the analysis, there was no meaningful correlation between audit delay and board independence. The study by Hashim and Rahman (2010) found no connection between audit report lag and board independence. The TIML distributional dynamics show that, for firms with relatively high levels of timeliness above sample average at Q[0.1], ( $p=0.9941$ ), Q[0.2], ( $p=0.5941$ ), and Q[0.3], ( $p=0.9217$ ), and Q[0.4], ( $p=0.2833$ ), the effect of Board gender diversity tends to be insignificant at 5%. This suggests that for companies in the top quantile of the audit delay distribution, the gender diversity of the board is limited and has no bearing on the timeliness of financial reports. With the exception of Q[0.9] ( $p=0.0112$ ), the effect of board gender diversity is likewise negligible for companies at sample average levels, Q[0.5], and even below sample average levels, Q[0.6], Q[0.7] ( $p=0.9244$ ), and Q[0.8] ( $p=0.6141$ ).

According to the estimations, the complete statistical distribution of timeliness data clearly shows the negligible impact of board gender diversity on audit delay. Therefore, having women on corporate boards may have a big impact on other organizational

outcomes, but there isn't any evidence that it improves the timeliness of corporate reporting in the context of this study. As a result, the null hypothesis that gender diversity on boards has no discernible impact on financial reporting timeliness is accepted.

## V. CONCLUSION AND RECOMMENDATION

The aim of this study was to examine how corporate governance influences the timeliness of financial reporting for Manufacturing companies listed on the Nigerian Exchange Group. A specific objective was to investigate the effects of board independence, size, and gender diversity on the timeliness of financial reporting in these companies. The study employed an ex-post facto research design and included a sample of 50 Manufacturing companies. Secondary data was collected from the corporate annual reports of the sampled companies that traded on the Nigerian Exchange Group during the fiscal years 2000–2022. To analyze the impact of corporate governance on the timeliness of financial reporting, the study utilized the quantile regression estimation technique. Thus, the estimations show that, throughout the whole statistical range, the impact of board independence on audit delay is highly noticeable. Lastly, the distributional dynamics for TIML tend to show that, for firms with relatively high levels of timeliness above sample average at Q[0.1], ( $p=0.9941$ ), Q[0.2], ( $p=0.5941$ ), and Q[0.3], ( $p=0.9217$ ), and Q[0.4], ( $p=0.2833$ ), the effect of Board gender diversity tends to be negligible at 5%. With the exception of Q[0.9] ( $p=0.0112$ ), the effect of board gender diversity is likewise negligible for companies at sample average levels, Q[0.5], and even below sample average levels, Q[0.6], Q[0.7] ( $p=0.9244$ ), and Q[0.8] ( $p=0.6141$ ). Therefore, the estimations show that the complete statistical distribution of audit delay data clearly shows the little impact of board gender diversity on audit time. Therefore, having women on corporate boards may have a big impact on other organizational outcomes, but there isn't any evidence that it improves the timeliness of corporate reporting in the context of this study. The study's findings indicates that board size greatly influences the speed of financial report preparation. Therefore, it is recommended that businesses determine the optimal board size to minimize issues related to delays in financial reporting. The study recommends that businesses strive to ensure that all direct stakeholders are fairly represented on the board, even amidst

ongoing debates regarding the optimal number of board members.

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