



BOARD CHARACTERISTICS AND FINANCIAL REPORTING LAG OF LISTED INDUSTRIAL GOODS FIRMS IN NIGERIA

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Abstract

This study aims to examine the effect of board characteristics on financial reporting lag of listed industrial goods firms in Nigeria. Expo facto research design and logistic regression method was used in this study, whereas the population and sample of the study consists of 13 listed industrial good firms on the Nigerian Exchange Group Plc or Nigerian Exchange Limited for the period of twelve (12) years from 2011 to 2022. The findings of the study therefore, shows that board independence (BIND) is significantly negative on financial reporting lag. However, board size (BS), board meetings (BM) and audit committee financial expertise (ACFE) have significantly positive impact on financial reporting lag while gender diversity (GD) has negative and insignificant impact on financial reporting lag of listed industrial good firms in Nigeria. Therefore, it is recommended that the management of listed industrial good firms in Nigeria should maintain an increase number of non-executive directors and level of board independence, board size, board meetings and audit committee financial expertise. This will result in an increase in the financial reporting timeliness of listed industrial goods firms in Nigeria.

Keywords: board characteristics, financial reporting lag, industrial goods, Nigeria

1. Introduction

The need for high quality and timely financial report has become essential across the globe due to expansion of business entities and trading of shares in the capital market. Consequently, the business entities are being mandated to meet up with the information requirements of stakeholders (potential investors) in particular, to provide them with qualitative but timely information in the annual financial reports and accounts (Shehu, 2011). Accordingly, the International Accounting Standard Board [IASB] (2008) has specifically defined financial reporting timeliness as the accessibility of information required by relevant users for current judgment before it loses its relevance to permit informed-judgments.



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Financial reporting frequently delivers dependable information to help stakeholders in decision making. The statement comprises relevant, reliable, comparable and understandable information (Bello, 2010). The fact that delay in performing the financial reporting procedures and processes postpone the release of the financial reports, companies may be exposed to bad situations such as negative and unexpected market responses and increase in information asymmetry due to Financial Reporting Lag [FRL] (Abbott et al., 2012).

Board of a company is the composition saddled with responsibility to oversee the affairs of the management. The essence of the board is to ensure that managers act in the best interest of the shareholders. Accordingly, board with female directors is anticipated to enhance performance, and in the same vein gender-diversity is associated with integrity of financial reporting (Soyemi et al., 2019). Mohammad and Ayoib (2016) argued that there is positive impact of the female directors on company's performance. Soyemi et al. (2019) also revealed that there is significant influence of the percentage of women on the board of director on the company's efficiency.

Board independence has been recognized as an important factor at the level of policy formulation of a company. Seini et al. (2016) opined that the board consist reasonable ratio of inside and outside directors is more likely to be independent of the; management. Thus, composition will ensure strict adherence to the rules and regulations. On the other hand, audit committee financial expertise involves the composition of an expert in accounting knowledge within the audit committee.

According to Devi (2018), board size which deals with the composition of board members can influence the delay of the company's financial reporting. Board is the composition of directors saddled with responsibility to oversee the affairs of the management. The essence of the board is to ensure that managers act in line with the best interest shareholders' interest. Larger number of members in the board may culminate into timely financial report of a company than the board with smaller number of members.

Board meeting is a platform where board members deliberate on issues that are likely to affect the affairs of the company. Soyemi et al. (2019) opined that board meeting is associated with the effectiveness of financial disclosure. Cheung et al (2010) argued that effective disclosure of financial statement is associated with frequent board meeting.

Similarly, audit committee financial expertise involves the composition of an expert who is professionally trained in the area of accounting and finance within the audit committee. Prominent studies establish that composition of accounting/financial experts within the audit committee have the capability, strength and competence to prevent insider abuses while ensuring timely financial statement disclosure (Sirajo, et al., 2020).

In spite of the aforementioned positions, it needs to be stated at this point that the board of directors of corporate entities are vested with the task of monitoring the activities of the management while ensuring the reliability and timeliness of annual financial reports and accounts by the firms. Several studies from the extant literatures have examined the nexus between board characteristics and financial reporting lag in Nigeria. Aksoy et al. (2021), examined the impact of board attributes on timeliness of financial reports in Turkey. The findings revealed a significant relationship between gender diversity, managerial shareholdings and timeliness of financial reporting in Turkey.



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More so, the Nigerian Exchange (NGX) Group have put in place drastic and proactive measures by enforcing penalties on some notable corporate entities prominent among which were Conoil Plc; Deap Capital Management and Trust, a Mortgage banker; Briscoe Plc; FTN Cocoa Processors Plc; e-Transact International; Royal Exchange Plc and 35 others in which they were fined over N1 billion for their inability to disclose their financial reports available to the (NSE).

Indeed, another penalty was charged by the NGX against Deap Capital to the tune of N5.5 million for not filing of its 2019 audited financial report, R.T. Briscoe was also fined about N53.4 million over its inability to provide its audited accounting reports since 2018. Conoil Plc was fined N800,000, FTN Cocoa Processors was fined N50.3 million, Juli Plc, Omatek Ventures, Royal Insurance, Union Dicon, and Niger Insurance were fined with N151.2 million, N537.2 million, N22.3 million, N27.5 million, and N84.2 million penalties respectively for similar avoidances (NGX, 2021).

From the theoretical point of view, several studies by Naseem et al. (2017), Fujianti (2018), Oyedokun (2019), Olabisi, et al. (2018) among others have provided some theoretical issues from the Nigerian context. A review of these studies provided some conflicting, there are conflicting, debatable, mixed and inconclusive results from the extant literatures. These theoretical flaws are in form of contextual gap, variables inclusion gap, environmental, periodical and methodological issues. Thus, creating a gap and clarion need to examine the impact of board characteristics on financial reporting lag of listed industrial companies in Nigeria.

Based on the aforementioned practical and theoretical issues and question. What is the impact of board characteristics on financial reporting lag of listed industrial good firms in Nigeria?

In line with the research questions, the study generally seeks to investigate the impact of board attributes on the financial reporting lag of listed industrial good firms in Nigeria. Other specific objectives are to:

- i. Examine the influence of gender-diversity on the financial reporting lag of listed industrial goods firms in Nigeria;
- ii. investigate the impact of board independence on the financial reporting lag of listed industrial good companies in Nigeria;
- iii. Find out the role of board size on the financial reporting lag of listed industrial good companies in Nigeria;
- iv. Identify the effect of board meeting on the financial reporting lag of listed industrial good firms in Nigeria;
- v. Ascertain the influence of audit committee financial expertise on the financial reporting lag of listed industrial goods firms in Nigeria;

Consistent with the objectives, the following null hypothesis was formulated thus:

- H₀₁: Gender-diversity has no significant effect on financial reporting lag of listed industrial goods firms in Nigeria.
- H₀₂: Board independence has no significant effect on financial reporting lag of listed industrial goods firms in Nigeria.
- H₀₃: Board size has no significant effect on financial reporting lag of listed industrial goods firms in Nigeria.
- H₀₄: Board meeting has no significant effect on financial reporting lag of listed industrial goods firms in Nigeria.



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H₀₅: Audit committee financial expertise has no significant effect on financial reporting lag of listed industrial goods firms in Nigeria.

Other relevant sections of this study were arranged as follows; section two deals with the review of related literatures, section three discusses the methodology employed in the study, section four deals with the findings and discussion of the results, while section five deals with the conclusion and recommendations drawn based on the findings of the study. This study could be of immense benefit to a large number of users of accounting information. Investors will get to know the impact of board attributes on financial reporting lag of listed industrial good firms in Nigeria. Thereby, encouraging them to make good and effective investment decisions. Further, the management of industrial goods companies will find this study relevant especially in identifying and adopting the best and reliable board characteristics that would ensure relevant, reliable, understandable, comparable and timely information needs of various stakeholders thereby, promoting the quality of the financial report in particular, and the overall value of the companies in general.

Similarly, the regulatory authorities such as the Securities and Exchange Commission (SEC), the standard setting agencies comprising of the Nigerian Accounting Standard Board (NASB), the Financial Reporting Council of Nigeria (FRCN) among other relevant agencies and institutions could also find the results of this study very crucial. Hence, they could find the result of this proposed study vital in providing effective laws and regulatory frameworks for policy implications and strategy implementations which could be useful for stock market regulations, absolute adherence to the codes of corporate governance, preventing insider related practices and fostering corporate ethical behavior in general.

2. Literature Review

Conceptualization of Variables

Financial Reporting Lag refers to the time delay between the end of a company's fiscal year and the date its audited financial statements are publicly released. It is a critical measure of the timeliness and efficiency of a firm's financial reporting process. A shorter reporting lag is generally associated with higher transparency and better corporate governance, while prolonged delays can increase information asymmetry and reduce the usefulness of financial statements for decision-making. According to the International Accounting Standards Board (IASB, 2008), timeliness is a key qualitative characteristic of useful financial information, implying that delayed reports may lose their relevance. Financial reporting lag has been linked to corporate governance factors, internal control effectiveness, and board characteristics (Abbott et al., 2012; Bello, 2010; Shehu, 2011; Erliza et al., 2019).

Gender diversity refers to the representation of female members on a company's board of directors, typically measured as the proportion of women to the total number of board members. It is viewed as an essential element in enhancing board effectiveness, promoting ethical decision-making, and improving the credibility and integrity of financial reports. The presence of female directors is associated with greater board vigilance and reduced financial reporting lag, although the impact may vary across contexts (Mohammed & Ayoib, 2016; Soyemi et al., 2019).



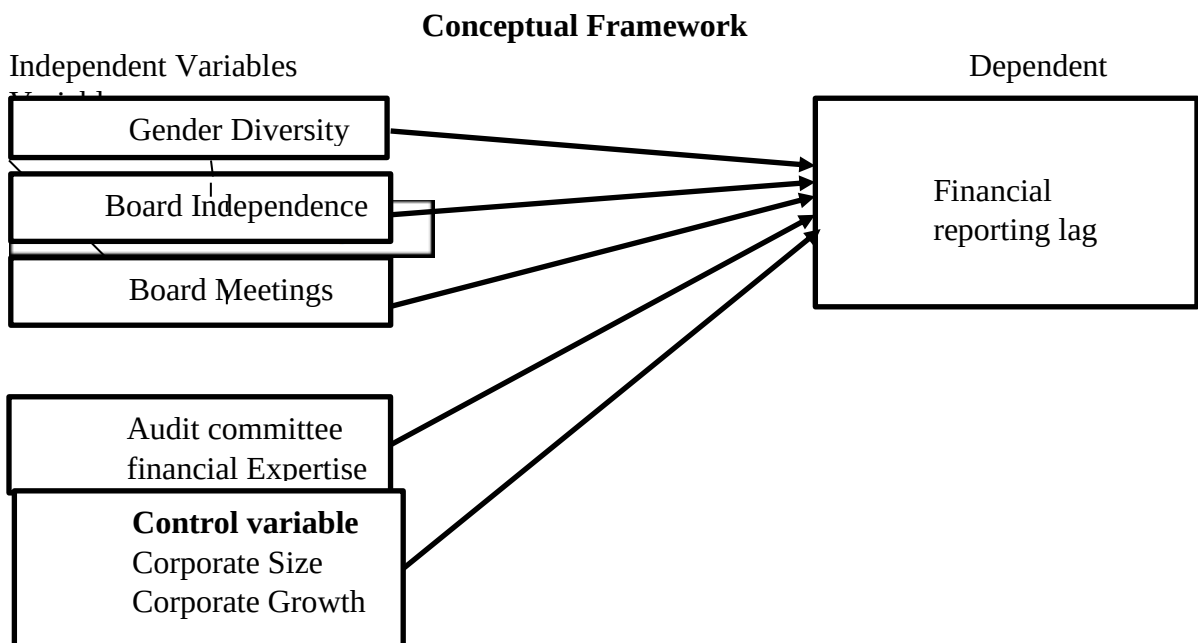
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Board independence describes the proportion of non-executive and independent directors relative to the total number of board members. Independent directors are expected to provide unbiased oversight and reduce management influence, thereby enhancing transparency and ensuring adherence to corporate governance principles. High board independence is linked to improved monitoring and reduced financial reporting lag (Seini et al., 2016; Adedeji et al., 2020).

Board size refers to the total number of directors, both executive and non-executive, who constitute the governing board of a company. The size of a board could influence the quality and timeliness of financial reporting. Larger boards may have access to broader expertise and may improve oversight effectiveness, yet may also encounter coordination difficulties leading to reporting delays (Devi, 2018; Bala, 2016; Saratu, 2020).

Board meetings represent the number of formal meetings held by a company's board of directors within a fiscal year. Frequent meetings provide an opportunity for directors to discuss financial matters, monitor management actions, and ensure timely preparation and release of financial reports. Empirical evidence links regular board meetings with reduced financial reporting lag and improved disclosure practices (Soyemi et al., 2019; Cheung et al., 2010).

Audit committee financial expertise refers to the presence of members within the audit committee who possess formal qualifications or substantial experience in accounting or finance. These individuals enhance the committee's capacity to detect financial irregularities, enforce compliance with reporting standards, and ensure timely disclosure of financial statements. Research supports the view that such expertise significantly reduces financial reporting delays (Sirajo et al., 2020; Onourah & Imene, 2016; Ahmed et al., 2020).



Source: Compiled by the Researcher Based on Literature.



Review of Empirical Studies

Gender diversity and FRL

Indeed et al. (2019). They investigated the relationship between firm characteristics and financial reporting timeliness of quoted industrial goods firms in Nigeria for a period of eight (8) years ranging from 2011 to 2018 using agency as the underpinning theory of the study. From a sample of eleven (11) companies taken out of a population of thirteen (13) industrial goods companies, the results from multiple regressions reveals that gender diversity have significant effect on financial reporting timeliness of listed Industrial goods companies in Nigeria. The major flaws of this study lie on the variables inclusion in which the variables are not governance-based.

In addition, Mohammed and Ayoib (2016) have investigated the impact of governance attributes on financial reporting lags in Nigeria for a period of five (5) years ranging from 2008 to 2012. The findings of the study based robust (OLS) technique indicate that gender diversity has significant positive relationship with financial reporting lag. Even though, period and methodological issues have been the major constraint of the study and thus, have not reflected current trends in corporate governance and financial reporting timeliness. However, Chukwu and Nwabochi (2019) have studied the relationship between audit committee attributes and timeliness of company accounting information in the Nigerian insurance sector for a period of four (4) years 2012 to 2015 using agency as the underpinning theory of the study. The results from the ordinary least square regression technique shows that audit committee gender in the board have negative and insignificant impact on the timeliness of company accounting information in the Nigerian insurance sector.

Furthermore, Soyemi et al. (2019) conducted a study on governance mechanisms and non-internal auditors' financial reporting lag in Nigeria for a period of eight (8) years ranging from 2011-2018 using Agency theory. The study was carried out via multiple regression technique using secondary data collected from the annual audited accounts of the 21 sampled non-financial companies on the Nigerian stock exchange by employing a purposive sampling technique. The result revealed that gender diversity has statistical negative and insignificant effect on financial reporting lag of quoted non-financial companies in Nigeria. Although, the sampling technique employed in the study is not clearly justified. This constraint may directly or indirectly affect the external validity of the study.

Board Independence and FRL

Adedeji et al. (2020) studied Corporate Governance attributes and Timeliness of accounting information in Nigeria; The paper examines board independence on financial reporting lag in Nigeria, secondary data were employed and sourced from the annual reports of eighteen (18) companies quoted on the Nigerian stock exchange (NSE) using five (5) years from 2014 to 2018 financial year ended. The results from the (OLS) regression technique shows that board independence has significant positive correlation on accounting information lag of listed firms in Nigeria. However, the methodologies employed in the study were ineffective in analyzing the empirical findings of the study.

Contrarily, Chukwu and Aloy-Ezirim (2020) studied the connectivity between corporate governance attributes and timeliness of accounting disclosure of Insurance companies in Nigeria; for a period of four (4) years ranging from 2010 to 2013 using Agency and Resources dependency theory to underpin the study. The finding from the



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(OLS) regression shows that corporate governance attributes in Nigeria have no significant influence on the timeliness of accounting information in the insurance sector. However, the study is too general rather than being specific in respect of the effect of the explanatory variables employed in the study. Also, greater emphasis has been attached to International Financial Reporting Standard (IFRS) compliance rather than the Nigerian Codes on Corporate Governance (NCCG).

Board Size and FRL

Ashibuogwu (2022) studied association between board attributes and financial reporting timeliness. However, data were obtained from annual reports of 15 quoted commercial banks on the Nigerian Stock Exchange (NSE) for seven (7) year's period starting from 2012 to 2018. The result shows that board size has significant impact on the financial reporting delay. The study laid more emphasis on commercial banks as well as the period of the study is too short, if a different sector will be used as well as the period will be extended a different inferential finding may be established.

Eguavoen et al., (2022) studied board characteristics and timeliness financial reporting in Nigeria. Different variables of board attributes like board size as well as board independence were studied to establish how they are connected to financial reporting timeliness. For the objective of the research to be achieved, twenty-eight (28) distress likelihood zone companies were selected starting from 2012 to 2021 as it associates to the non-financial companies that are listed on Nigerian Security Exchange (NSE) PLC as at December 31st, 2021 were judiciously selected and studied. The panel least squares (PLS) regression was adopted in the research and E-view 9.0 packages was used for the data analysis. The regression analysis showed board size was established to be insignificant and adversely associated with timeliness of financial reporting of companies in Nigeria. The results of this research cannot be generalized to other sectors globally because it is restricted to the non-financial firms.

Board Meeting and FRL

Chukwu et al. (2019) have investigated the connection between audit committee attributes and timeliness of firm financial disclosure in the Nigerian insurance sector for a period of four (4) years 2012 to 2015 employing agency as the underpinning theory of the study. The results from the (OLS) regression technique showed that board meeting has a significant association with timeliness of firm financial disclosure. Unfortunately, the period covered in the study was too short and thus, changes in legal and regulatory frameworks have been neglected. If additional board attributes will be employed by future studies like this, a more reliable result could have been documented.

In a study conducted by Musa et al. (2019), they examined the impact of corporate characteristics and accounting information value of quoted industrial goods firms in correlational design and multiple regression as the techniques of data analysis for the study. The result indicates that board meeting is statistically, positively and significantly influencing the accounting information value of the quoted industrial goods firms in Nigeria.



Audit Committee Financial Expertise and FRL

Indeed et al. (2020) have studied the nexus between governance attributes and timeframe of financial statements of listed firms in Nigeria for the period of six (6) years (2013-2018) both inclusive. The study has employed multiple regression technique for data analysis and the findings indicate a positive significant correlation between audit committee financial expertise and timeliness of financial reports of listed firms in Nigeria.

Similarly, other notable researches which have documented a positive and significant correlation between audit committee financial expertise and financial reporting lag were Ahmed et al. (2020) while on the contrary, Ali, Ahmad and Abdulhamid (2018) have revealed that audit committee financial expertise have no significant influence on the timeliness of corporate accounting disclosure from the United Arab Emirates (UAE) perspective. Even though, variations in terms of economic system, period and methodological gaps could have played a significant role of changing the empirical findings of the study especially if same would be conducted from an emerging market like Nigeria.

From the underpinning theory perspective, agency theory was used to underpin the current study, the theory evolved from the work of Berle and Means (1932) and expounded by Jensen and Meckling (1976). Agency theory is mainly apprehensive with the association of two or more individuals in contract named the agent(s) board to execute certain functions of the principal(s) shareholders. Indeed, it is the aim of the principal to manipulate the activities of the agent by delegating certain powers in undetermined environment. As expected, the agent expedites actions when exercising duties conferred which has a bearing on the internal as well as on external factors in relation to volume diligent exercised.

3. Methodology

In this section, the study has employed expo-facto as the research design of the study. This is based on the fact that it gives an opportunity to predict future occurrence base on the past event on the company's financial reports of the listed industrial firms in Nigeria. The population of the study consists of all the (13) industrial goods firms listed on the Nigeria Exchange Group (NGX) as at 31st December, 2022. Indeed, this study attempted to examine the impact of board characteristics on the financial reporting lag of listed industrial goods firms in Nigeria. Thus, purposive sampling technique was employed as the sampling technique of the study. Specifically, a sample of ten (10) quoted industrial goods firms were chosen and used from the total of (13) firms. Most importantly, logistic regression model was employed as the technique of data analysis. This is because, it is an addition to Ordinary Least Square (OLS) regression model and hence, it has more robustness and reliability when there is need to predict the value of two or more other variables.



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Table 1

Variables, Measurement and Definitions

Variables Name	Acronym	Nature of variable	Measurement	Source(s)
Financial Reporting Lag	(FRL)	Explained or Dependent Variable (DV)	Measured using dummy variables. The categories of companies that submit their financial statements within the stipulated time are coded 1, while otherwise are coded 0.	Erliza et al., (2019)
Gender-Diversity	(GD)	Explanatory Variable	The number of female directors sitting on board over the aggregate number of board members.	Afza (2014) and Akram et al. (2017)
Board Independence	(BI)	Explanatory Variable	The total proportion of non-executive and independent directors over aggregate number of directors on the board	Freihat et al., (2019)
Board Size	(BS)	Explanatory Variable	The aggregate number of both non-executive and executive directors in the board.	(Bala, 2016; Saratu, 2020).
Board Meeting	(BM)	Explanatory Variable	Total numbers of meetings conducted by the board within the year.	Ebrahim et al., (2014).
Audit Committee Financial Expertise	(ACFE)	Explanatory Variable	Measured as the proportion of board audit committee members with professional accounting membership.	(Onourah & Imene, 2016)
Corporate Size	CS	Control Variable	Natural logarithm of firm's total assets.	Fujianti, (2018), Siyanbola et al., (2020).
Corporate Growth	CG	Control Variable	Measured as changes in Assets.	(Soyemi & Olawale, 2019).

Source: Compiled by the Author, 2022.

Based on the earlier discussion, the various hypotheses and variables are combined into a functional relation in order to investigate the impact of board characteristics on the financial reporting lag of quoted industrial firms in Nigeria. The model is empirically stated as follows;

$$FRL_{it} = \alpha + \beta_1 GD_{it} + \beta_2 BI_{it} + \beta_3 BS_{it} + \beta_4 BM_{it} + \beta_5 ACFE_{it} + \beta_6 CS_{it} + \beta_7 CG_{it} + e_{it}$$

Where; i = “firm”, t= “time”, FRL = Financial Reporting Lag of firm, α = The intercept or Constant term, $\beta_1 - \beta_5$ = Coefficients of the explanatory variables, GD = Gender Diversity,



BI = Board independence, BS= Board Size, BM = Board Meeting, ACFE = Audit Committee Financial Expertise, CS = Corporate Size, CS = Corporate Growth e_{it} = Stochastic error term.

4. Results and Discussion

Descriptive Statistics

Table 2

Summary of Descriptive Statistics

Variable	Obs	Mean	Std. Dev	Minimum	Maximum
FRL	120	1.9503	0.0789	1.7482	2.2553
GD	120	0.1738	0.1871	0	0.6667
BI	120	2.0482	5.4458	0.55565	35.06
BS	120	8.6583	3.2032	4	17
BM	120	5.3667	1.5390	2	10
ACFE	120	0.24845	0.2170	0	0.6667
CS	120	11.602	8.6649	8.2394	66.79
CG	120	1.0509	4.6277	-19.72	26.07

Source: STATA 16 Output file

The Table 2 shows the minimum and maximum values of FRL as 1.75 and 2.26 respectively with a corresponding mean and standard deviation values of 1.9503 and 2.255 respectively. It signifies that the minimum FRL of listed industrial firms in Nigeria was 1.75% while the maximum was 2.26% approximately. It further signifies that the average FRL of the listed industrial firms in Nigeria was found to be 1.95% while the standard deviation was found to be 2.26%. Therefore, it implies that the individual listed industrial good firms in Nigeria have an average FRL of 1.95% during the period of the study and the actual level or amount of variation (changes) from the average (Mean) is 2% approximately.

The Gender Diversity (GD) has minimum and maximum values of 0 and 0.67 respectively while the mean and standard deviation values were found to be 0.17 and 0.19 respectively. This signifies that the minimum and maximum proportion of female directors in the board of listed industrial firms in Nigeria was found to be 0% and 67% respectively. More so, the average proportion of female directors in the board of listed industrial good firms in Nigeria was approximately 17% while the change (deviation) from this proportion is approximately 19%. This implies that the deviation from the actual ratio of female directors in the board of listed industrial good firms in Nigeria is far from mean.

Accordingly, Board Independence (BI) shows minimum and maximum values of 0.56 and 35.06 respectively. It also shows a mean and standard deviation value of 2.048 and 5.445 respectively. This signifies the fact that BI has a minimum and maximum value of 0.6% and 35% approximately while the mean and standard deviation of BI were found to be 2.05% and 5.45% respectively. It therefore, implies that the minimum and maximum proportion of non-executive directors in the board was 0.56% and 35% respectively. Indeed, the average proportion of non-executive directors in the board of listed industrial good firms in Nigeria stood at 2.05% while the remaining 98% were dominated by



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executive directors in the board. The level of variation from the average proportion was found to be 5.45% approximately.

In respect of Board Size (BS), it shows minimum and maximum values of 4 and 17 respectively. It also shows a mean and standard deviation value of 8.66 and 3.2 respectively. This signifies that the listed industrial good firms in Nigeria had a minimum of four (4) board Size during the period of the study and the maximum of seventeen (17). Indeed, with an average board size of 8.6583, indicated during the study period on listed industrial goods firms, maintain a moderately sized board of directors. The standard deviation of 3.2032 indicates variability in board sizes across the sample, suggesting that some firms have smaller or larger boards.

In respect of Board Meeting (BM), it shows minimum and maximum values of 2 and 10 respectively. It also shows a mean and standard deviation value of 5.37 and 1.54 respectively. This signifies that the listed industrial good firms in Nigeria held a minimum of two (2) meetings during the period of the study and the maximum number of meetings they held during the period was ten (10) meetings. Indeed, the average meeting held by the listed industrial good firms in Nigeria was five (5) meetings approximately while the variation or changes (Standard Deviation) from the average was found to be two (2) meeting approximately. This implies that the deviation from the actual mean is fitted and within the acceptable range.

The minimum and maximum values for ACFE were found to be 0 and 0.67 respectively while the mean and standard deviation were approximately found to be 0.25 and 0.22 respectively. This signifies that the average proportion of audit committee members in the board with financial expertise were 25% while deviation from the average proportion was 22% which is also minimal and ideal for the study. Indeed, the minimum and maximum proportions of audit committee members in the board with technical financial expertise were found to be 0% and 67% respectively.



Table 3

Correlation Matrix

Variable	FRL	GD	BI	BS	BM	ACFE	CS	CG
FRL	1.000 0							
GD	0.015 9	1.000 0						
BI	- 0.056 5	0.163 4	1.0000					
BS	- 0.403 4*	- 0.011 0	0.0969	1.0000				
BM	- 0.215 8*	0.160 9	0.3030 *	0.3563 *	1.0000			
ACFE	- 0.101 4	- 0.046 2	0.2469 *	0.1492	0.1703	1.0000		
CS	0.086 5	0.157 0	0.5004 *	0.0576	0.2273 *	0.2269 *	1.0000	
CG	0.070 3	0.041 2	0.3268 *	-0.0721	0.2244 *	0.1351	0.4881 *	1.000 0

Source: STATA Output Result.

Table 3 present the results of the relationship between board characteristics (BI, BS, BM and ACFE) which are found to be -0.0565, -0.4034, -0.2158 and -0.1014) and Financial Reporting Lag (FRL) of listed industrial good firms in Nigeria. The Table 3 shows that there is statistical negative correlation between FRL and all the explanatory variables except for GD which shows a statistical positive correlation with FRL of listed industrial good firms in Nigeria. Despite the negative pattern of the results, it signifies that the explanatory variables are perfectly correlated with FRL at an approximate value of 5%, 40%, 22% and 10% respectively. It further implies that none of the explanatory variables have a correlation value with FRL which is greater than or equal to 50% (i.e. $50\% \geq$). This further clarifies the absence of multi-collinearity among all the explanatory variables of the study. Hence, the tolerance and Variance Inflation Factor (VIF) values in Table 3 provides enough evidence as both have values of less 1 and less than 10 respectively.



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Table 4

Summary of Regression Results

FRL	Coef.	Std. Err.	Z	P> Z
GD	0.2474	0.1281	1.93	0.053
BI	-0.0056	0.0026	-2.15	0.031
BS	0.0168	0.0065	2.61	0.009
BM	0.0400	0.0180	2.22	0.026
ACFE	0.3224	0.1028	3.14	0.002
CS	-0.0001	0.0017	-0.07	0.948
CG	0.0023	0.0048	0.47	0.637
_cons	0.4353	0.1402	3.11	0.002
R-sq	0.2084			
F- statistics	16.46			
Prob>chi2	0.0212			

Source: STATA 16 Output file

As depicted in Table 4 the R^2 from the regression model shows a value of 0.2084. This further signifies that the coefficient of determination which is represented by (R^2) explains 20.84% of the total changes (variation) in Financial Reporting Lag (FRL) of the listed industrial good firms in Nigeria. Therefore, it implies that the remaining 79.16% of the changes in Financial Reporting Lag (FRL) of listed industrial good firms in Nigeria is caused by other factors outside the model of the study. Meanwhile, the explanatory variables of the study have the capacity (power) to determine or predict 20.84 percent of the difference in financial reporting lag of the listed industrial good companies in Nigeria. The F-Statistics of the study shows a coefficient of 16.46 with P-value of 0.0212 which is significant at 1% level of significance. This means the model of the study is well-fitted with the variables of the study.

More interestingly, based on the result in table 4.4 depicted earlier, gender diversity (GD) shows a beta coefficient value of 0.2474 with a corresponding Z and P values of 1.93 and 0.053 respectively. This signifies that Gender Diversity (GD) within the board is statistically, positively and insignificantly influencing financial reporting lag (FRL) of listed industrial good firms in Nigeria. This result is not strange at all, as it is in tandem with the findings of (Chukwu & Nwabochi, 2019; Soyemi et al. 2019) However, the results have contradicted the findings documented by (Obazee and Amede, 2019; Ozoanigbo et al. 2016) among others.

From the hypothesis perspective, the hypothesis one (H_{01}) of the study stated that Gender diversity has no significant influence on the financial reporting lag of listed industrial good firms in Nigeria. Fortunately, the empirical result shows that gender diversity has insignificant influence on the financial reporting lag of listed industrial good firms in Nigeria. Therefore, for hypothesis one of the studies, H_{01} of the study fails to be rejected.

Similarly, the Table 4 shows the coefficient value for Board Independence (BI) as -0.0056 with a corresponding T and P values of -2.15 and 0.031 respectively. This signifies that BI is statistically significant at 5% level of significance but negatively related with the FRL of listed industrial good firms in Nigeria. It therefore, implies that a percentage



decrease in the proportion of non-executive directors in the board by (1%) will lead to an increase in Financial Reporting Lag (FRL) of listed industrial good firms in Nigeria by significantly. This is in line with the results documented by (Adedeji, et al. 2020; Puasa, et al., 2014) while contradicting the findings documented by (Chukwu & Aloy-Ezirim, 2020; Ohaka & Akani, 2017) among others.

From the dimension of priori expectation, it was hypothesized (H_{02}) that board independence (BI) has no significant role on the financial reporting lag of listed industrial good firms in Nigeria. However, the statistical finding shows that (BI) is statistically, negatively and significantly related with financial reporting lag (FRL) of listed industrial good firms in Nigeria. Hence, it provides the basis for rejecting hypothesis two (H_{02}) of the study. Thus, for hypothesis two, H_{02} is rejected.

In addition, based on the result in Table 4 depicted earlier, board size (BS) shows a beta coefficient value of 0.0168 with a corresponding Z and P values of 2.61 and 0.009 respectively. This signifies that Board Size (BS) within the board is statistically, positively and significantly influencing financial reporting lag (FRL) of listed industrial good firms in Nigeria. This result is not strange at all, as it is in tandem with the findings of Adedeji, et al., (2020); Garkaz, et al. (2016). However, the results have contradicted the findings documented by (Chukwu & Nwabochi, 2019; Soyemi, et al., 2019) among others.

From the hypothesis perspective, the hypothesis three (H_{03}) of the study stated that board size has no significant influence on the financial reporting lag of listed industrial good firms in Nigeria. Unfortunately, the empirical result shows that board size has significant influence on the financial reporting lag of listed industrial good firms in Nigeria. Therefore, for hypothesis three of the studies, H_{03} of the study is rejected.

In addition, the results in Table 4 reveals that Board Meeting (BM) shows a positively and statistically significant relationship with the FRL. This is illustrated from Table 4 which show a regression coefficient as well as a p-value of 0.0400 and 0.026 respectively. This signifies that BM is statistically, negatively and significantly correlated with the FRL of listed industrial good firms in Nigeria. This positive result implies that a percentage increase in the number of times the board meets (4% approximately), will result in significant decrease the financial reporting lag (timeliness) of listed industrial good firms in Nigeria. The finding is similar to the study of Sirajo, et al., (2020); Musa, Idris & Kwakipi, 2019; Ishaq & Ahmed, 2016) among other notable findings. Indeed, the finding is consistent with hypothesis four (H_{04}) of the study which state that board meeting has no significant impact on the financial reporting lag of listed industrial good firms in Nigeria. However, for hypothesis four, (H_{04}) of the study is rejected.

Similarly, ACFE is another explanatory variable of the study which shows a beta coefficient value of 0.3224 with corresponding Z and P-value of 3.14 and 0.002 respectively. This signifies that Audit Committee Financial Expertise (ACFE) has significant influence on financial reporting lag of listed industrial good firms in Nigeria at 1% level of significance. It also implies that a proportional increase in the number of audit committee members with financial expertise in the board will lead to outrageous decrease in the financial reporting lag (FRL) of listed industrial good firms in Nigeria. More specifically, as the proportion of Audit Committee members with Financial Expertise increases by 32% approximately, financial reporting lag will decrease significantly. Thus, the finding is in line with that of (Ishaq & Ahmed, 2016; Peter & Promise, 2020; Iyoha, 2012; Ahmed et al., 2020) but inconsistent with the study of (Ali et al., 2018).



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Although, the hypothesis five (H_{05}) of the study states that Audit Committee Financial Expertise has no significant influence on the financial reporting lag of listed industrial firms in Nigeria. Hence, it provides statistical evidence for rejecting hypothesis five of the study. Therefore, hypothesis five (H_{05}) is rejected.

5. Conclusion and Recommendations

Based on the findings of this study, it is concluded that board independence (BIND) was found to be statistically, negatively and significantly influencing the financial reporting lag of listed industrial good firms in Nigeria at 5% level of significance. It was also concluded that, gender diversity (GD) has statistical, positive and insignificant impact on financial reporting lag of listed industrial good firms in Nigeria. However, board size (BS), board meeting (BM), and Audit Committee Financial Expertise (ACFE) were concluded to have positive and significant impact on financial reporting lag of listed industrial good firms in Nigeria at 1%, 5%.and 1% level of significance respectively. Finally, it was concluded that corporate size and corporate growth (as control variables) of the study, have no significant impact on financial reporting lag of listed industrial good firms in Nigeria.

In line with the foregoing conclusions, the following recommendations are made. Policy makers should ensure a reasonable number of audit committee members with financial expertise in the board should be ensured as they are empirically found to have significant impact on the financial reporting lag of listed industrial good firms in Nigeria. Again, it is necessary and desirable for the regulatory agencies especially the Securities and Exchange Commission (SEC), the Financial Reporting Council of Nigeria (FRCN) and other relevant policy makers to intensify efforts aimed at rationalizing and introducing a legal framework with a view to ensuring the quality and credibility of financial reporting, safeguarding the yearnings and aspirations of both internal and external stakeholders and hence, creating avenue for making informed-decisions.

Again, it is recommended that the management of the listed industrial good firms in Nigeria should strive to comply with the ethical code of conduct vis-a-vis board meeting as enshrined by the Nigerian Code on Corporate Governance (NCCG, 2018 as amended), maintain consistent quality in respect of their size (assets), emphasize on board size, engage more meetings in the board while ensuring and maintaining the autonomy of non-executive directors in the board consistently

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