



How Firm Characteristics Affect the Timeliness of Financial Disclosures in Nigerian Insurance Firms

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ABSTRACT

Increasing the relevance of corporate financial statements to decision-making processes necessitates rapid availability of financial information to users. This study delves into the timely reporting practices of Nigerian insurance companies over a twelve-year period, spanning from 2009 to 2021. Through an examination of firm characteristics such as size and age, alongside the timeliness of financial reports measured by audit report delay, this research sheds light on the intricate dynamics influencing financial reporting practices within the Nigerian insurance sector. Utilizing advanced statistical analysis techniques including fixed effect modeling and diagnostic tests for data normality and heteroskedasticity, the findings unearth compelling insights. Notably, while firm size exhibits a significant negative impact on financial reporting timeliness, the influence of firm age proves to be less straightforward, indicating nuanced factors at play. This study underscores the imperative for insurance companies to bolster their asset bases, thereby enhancing their capacity to mitigate delays in financial reporting. By elucidating the interplay between firm characteristics and reporting timeliness, this research offers actionable recommendations to fortify the integrity and efficiency of financial reporting practices within the Nigerian insurance industry.

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Firm Age, Firm Characteristics, Firm Size, Timeliness of Financial Reporting.

Introduction

Financial reporting is concerned with the provision of information which possesses the characteristics of relevant, adequate, comparable and reliable sources. Stewardship

responsibility of management is achieved through corporate financial reporting in the form of preparation and presentation of audited annual reports and accounts to users of financial information. One pertinent characteristic of a sound financial report stipulates that at its disposal the information needs to be released in a timely manner. Financial Accounting Standards Board (FASB) emphasizes timeliness as one of the key components of decision-driven informational relevance. The timeliness of a financial report refers to the promptness it takes a company from the date the accounting year ends to the date the report is published. It is indeed one of the qualitative characteristics of financial reporting which determines the relevance of the information in the financial reports (Hani Warrad, 2018).

The hallmark of a successful firm across the globe is defined based on characteristics rather than business name or title. Firm characteristics can be referred to as uncontrollable, partially controllable, and controllable attributes that are peculiar to the firm. These distinctive traits include firm size, board of directors' size, audit committee existence, audit quality, auditor's type, independence of the board and audit committee, and firm age among others (Edeh, I. T., Okwo, I. M., Okoro, 2019), (Sunday et al., 2022). The uncontrollable characteristics, such as company size, structure and age are outside the direct control of a firm. An organization's resources and maturity are examples of partially controllable; they cannot be altered but are susceptible to change in the long run (Iyoha, 2012). Iyoha explained that controllable characteristics are under the control of a firm. He also argues that firms can manipulate with uncontrollable characteristics. In this study, firm size and firm age are the characteristics in focus.

Firm size is a firm attribute considered to be the total value of its assets measured by the natural logarithm of the assets. Firm size is a major variable of interest in the timeliness of financial report studies. Board size refers to the number of directors on the board of a company. It has a direct link with the timeliness of financial reports in the sense that board members have the statutory responsibility of monitoring the management activities. Nigerian Code of Corporate Governance (2018) Section 2.1 stipulates that the Board should be of sufficient size to effectively undertake and fulfil its business; oversee, monitor, direct and control the Company's activities and be relative to the scale and complexity of its operations. Firm age is a term that defines how long a firm has been in existence calculated based on the number of years of operation (Alsmady, 2018). There is no legislation or corporate code that considers the age of a firm since it is purely an ongoing uncontrollable value. It is however one of the factors that influence the timeliness of financial reports.

The insurance subsector is very vital to the economic development of any nation. In Nigeria, the insurance subsector provides vital support to socio-economic development. Ebong summarizes the main functions of insurance companies as the promotion of socio-economic activities through risk transfer and indemnification for companies and individuals, as well as long-term fund mobilization. The Insurance Act, 2003 provides for the establishment of the National Insurance Commission (NAICOM) as the apex regulator of the insurance industry in Nigeria. The Act sets forth copious provisions for the industry amongst which is audit and publication of financial statements. However, insurance firms are also mandated to comply with the financial reporting requirements in the Companies and Allied Matters Act, 2004 and the listing rules of the Nigerian Exchange Group for listed entities .

Statement of Problem :

In Nigeria today, the need for timely financial information has become so important due to the increasing exposure of Nigerian businesses to international capital markets. The business organizations are under obligation to satisfy the information demands of both local and foreign investors providing them with more timely information in their annual financial reports. This calls for regular evaluation of the adherence of these firms to the rule of timely release of reports which this study justifies. Secondly, there is a complete lack of studies that investigate the moderating effect of firm size on the relationship between firm characteristics and financial report timeliness, more especially in Nigerian insurance companies. Such is a vacuum this study fills with empirical evidence. Thirdly, from available literature, there are still mixed findings on the effect firm characteristics have had on the timeliness of financial reports among scholars. For instance, while (Sunday et al., 2022) agreed that firm age has a significant effect on the timeliness of financial reports, (Edeh, I. T., Okwo, I. M., Okoro, 2019) were of the contrary opinion, noting that the age of a firm has an insignificant effect on audit report timeliness. In like manner, while scholars including (Raweh et al., 2019), (Ogbodo, Aigienohuwa, 2021), (Nugroho et al., 2023) observed that there is a significant association between firm size and financial report timeliness, however, on the contrary, (Ekienabor & Samson, 2018) asserted that firm size has an insignificant effect on financial reporting timelines. These opposing findings mean that further studies such as this one can be still be conducted.

Literatures Review

Conceptual Review of the Study

The conceptual review of the study is on the independent variable (firm

characteristics) proxied by firm size and firm age and the dependent variable (Timeliness of financial reporting) represented by audit report delay

Firm Characteristics

Firm characteristics are defined as attributes directly related to the company which (Kogan & Tian, 2012) listed to include ownership structure, board characteristics, age of the firm, dividend pay-out, profitability, leverage, liquidity, committee size, board size, board composition, access to capital markets and growth opportunities among others. (Zou & Stan, 1998) described firm characteristics as a firm's demographic and managerial variables which in turn comprised part of the firm's internal environment including firm size, leverage, liquidity, sales growth, asset growth, and turnover. (Mohammed, 2017) defined firm characteristics as the wide varieties of information disclosed in the financial statement of business entities that serve as the predictors of the firms' quality of accounting information and performance and as the behavioural patterns of a company's operation which enable it to achieve its objectives throughout its operations. Firm characteristics vary from one business entity to another and can be determined based on the relevant information disclosed on financial statements for a particular accounting period Lorice, 2006; MA Nugroho, 2024. For this study firm characteristics are defined as those peculiar traits that could only be attributed to a particular firm and they are firm size and firm age (Lorice, 2006), (MA Nugroho, S Amin, 2024).

Firm size and Timeliness of Financial Reports

The size of a firm is taken as the total value of its assets and is preferably measured by the natural logarithm of the total assets it has. (Abeyrathna & Priyadarshana, 2020) noted that the size of a firm is very essential in today's world because large firms can manufacture items at much lower costs and make more profits, unlike smaller firms. (Alade, M. E., Iroju, S. I., & Afolabi, 2022) reported that firm size has a statistically significant association with audit report lag among Nigerian listed service firms. Voulgaris & Lemonakis, 2014; Sunday et al., 2022 argued that large-sized firms are more diversified, have higher market power, and employ better technology which could contribute positively to the firm (Voulgaris & Lemonakis, 2014), (Sunday et al., 2022).

Ogbodo and Aigienohuwa observed that there is a significant association between company size and financial report timeliness in Nigerian quoted firms. Adediran, 2019 noted that firm size has a significant negative effect on audit report delay, Ekienabor and Oluwole, 2018 asserted that firm size has no significant effect on financial reporting

timelines (Ekienabor & Samson, 2018) .

Firm Age and Timeliness of Financial Reports

The firm age refers to how long it has been in existence and it is a serious factor that may affect the disclosure level of the financial report in terms of the number of days between the end of the accounting year and when the audit report would be ready (Alade, M. E., Iroju, S. I., & Afolabi, 2022). Normally, older companies have more experience in financial reporting and are highly committed to a more-timely issuance of the annual reports since older companies are more concerned about their image in the market and are more likely to have higher disclosure. Conversely, younger companies are less established in the market and have lower goodwill which means that they are less concerned about their financial disclosure. Edeh *et al*, observed that firm age has no significant effect on the timeliness of financial reporting, while, (Owusu-Ansah, 2000) supported the assertion that a company's age positively affects the financial disclosure timeliness. This study conceptualizes firm age as the number of years from the incorporation of a firm to the year considered by the study as the terminal year.

Timeliness of Financial Reports

Financial reports timeliness generally refers to the length of time from a company's financial year-end to the date of the auditor's report and thus it is measured as the number of days between a firm's fiscal year-end and the report date (Ayemere & Elijah, 2015). The timeliness of a financial report is the ability of a company to make public its financial statement after the end of accounting year within the stipulated period in Nigeria. (Arowoshegbe et al., 2017) defined timeliness as the capacity of the decision makers to access information before losing its relevance and ability to effects judgments. A company's failure to make public its reports within the period allowed by law is referred to as audit delay or audit report lag which considers the number of days after the expiration of the allotted time that the report delayed before been made public. This study shall be using these terms interchangeably. Audit delay can be explained as the duration of the completion of the audit, which is from the date of closing the book to the date the audit report is published (Mutiarra *et al*, 2018). This study defines the timeliness of financial reporting as the shortness of the day between the financial year end and the date of the Annual General Meeting (AGM).

The Underpinning Theory: The Contingency Theory

The contingency theory (CT) of leadership was proposed by the Australian Psychologist Fred Edward Fiedler in his landmark 1964 article: A Contingency Model of

Leadership Effectiveness. CT is based on the idea that a fit between certain components of a managerial organization and certain contingencies will improve that organization's performance. Among these, the structure of the organization is perhaps most frequently related to contingencies. The contingencies usually related to the structure of the organization are environment, organizational size, strategy, and technology. A contingency is a relationship between two phenomena, if one phenomenon exists, then a conclusion can be drawn about another phenomenon. CT assumes that each of these contingencies necessitates the existence of certain characteristics in the structure. When the structure of an organization bears those characteristics for the contingency in question, this means that there is a fit. This fit is supposed to increase the performance of the organization (Harney, 2016). According to contingency theory, a one-size-fits-all approach is inappropriate, as the effectiveness of management practices is dependent on the context in which they are applied. The timeliness of the sampled insurance companies is no doubt contingent on their sizes and ages.

Empirical review

Ascertained the effect of firm characteristics on the financial reporting timeliness of banking firms in Nigeria. The specific objectives were to determine the influence of firm size, firm age, firm leverage and profitability on the financial reporting timeliness of firms in Nigeria. The data spanning ten years were gathered from banks in Nigeria. The study adopted an *ex post facto* research design. The methods of data analysis were multiple regression analysis while the T-test statistic was used for the test of hypotheses. The findings revealed that firm age has no significant effect on the timeliness of financial reporting by deposit money banks in Nigeria, firm size has no significant effect on the timeliness of financial reporting of banks in Nigeria, leverage has no significant effect on financial reporting timeliness of banking firms in Nigeria, while, profitability (ROA) has a significant effect on the timeliness of reporting by banks in Nigeria. The study recommended that banks should be able to promote healthy and timely financial report void of ego on the age of the organization and that financial reporting based on size should be discouraged (Edeh, I. T., Okwo, I. M., Okoro, 2019).

Okerekeoti 2022, ascertained the effect of firm characteristics on audit report timeliness of quoted deposit money banks in Nigeria and Ghana from 2016 to 2021. The specific objectives were to determine the effect of firm leverage and firm age on audit report timeliness in Nigeria and Ghana for comparative purposes. The *ex-post facto* research design was adopted. Data were extracted from the annual reports and accounts

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of five sampled banks in Nigeria and Ghana. Regression analysis was employed to test the hypothesis via SPSS version 20.0. The study found that in Nigeria, firm leverage has a negative and insignificant effect on audit report timeliness while firm age has a positive and significant effect on audit report timeliness of deposit money banks in Nigeria. However, in Ghana, firm leverage and firm age have positive and insignificant effects on the audit report timeliness of deposit money banks. The study recommended among others that auditors of the various African nations should put in more effort to make sure that high-leverage enterprises' accounting techniques do not hide the "true" financial condition of the company (Alsmady, 2018).

Zebaghafa *et al.* (2022) evaluated the effect of corporate attributes on the timeliness of financial reporting of quoted firms in Nigeria. The specific objectives were to examine the influence of total assets, age, profitability and number of employees on the timeliness of financial reporting. Cross-sectional data were sourced from the financial statements of quoted firms. The study accepts the fixed effect model after conducting the Hausman specification test. The study found that total assets, profitability and age have a positive and significant relationship with the timeliness of financial reports on financial reports of the selected firms. The panel unit root proved that the variables are stationary at the first difference, while the causality test found one unidirectional relationship between total assets and the timeliness of financial reporting. From the regression summary, the study concludes that corporate attributes have a significant relationship with the timeliness of financial reports. The study recommended that corporate attributes that adversely affect the timeliness of financial reporting should be discouraged or properly managed and factors that enhance the timeliness of financial reporting should be encouraged (Sunday *et al.*, 2022).

Alade *et al.* (2022) examined the effect of corporate attributes on the audit-report lag of the service industry listed on the Nigeria Exchange Group (NXG). The specific objectives were to analyze the effect of firm leverage and size on how timely financial reports were released. The *ex-post facto* research design was employed. Secondary data covering six years were extracted from the annual reports of the selected firms. Twenty-one (21) listed corporate entities were purposively drawn from a population of 25 Service sector companies quoted on the NXG. The results showed a statistically significant association between the corporate attributes (leverage and size) and audit report lag among Nigerian listed service firms. The study recommended that the management of the entities should not compromise the timely presentation of financial reports in their quest towards attaining profitable financial performance, while advanced reporting technologies

should be employed to enhance the prompt issuance of audit reports (Alade, M. E., Iroju, S. I., & Afolabi, 2022).

Adediran *et al.* (2019) investigated the effect of firm characteristics on the timeliness of financial reports on Nigerian insurance companies from 2008-2017. The study used secondary data that were sourced from the financial statements of the sampled companies. The specific objectives were to examine how audit report timeliness is affected by board size, firm leverage ratio and firm size. The analysis was conducted with the aid of STATA 12 software. The data were analyzed by Pairwise correlation, descriptive statistics and ordinary least square (OLS) multiple regression techniques. The result revealed that board size has a significant negative effect on audit report delay, while firm size has a significant negative effect on audit report delay. The result further revealed that firm leverage has an insignificant negative effect on audit report delay. The study recommended amongst other things that management of large companies should always ensure that highly qualified personnel are placed in the final accounts section of the parent company and that compilation of financial reports should be gradual and not only towards the accounting year end to avoid unnecessary delay in publication of financial statements.

Ekienabor and Oluwole (2018) examine corporate attributes and timeliness of financial reporting in selected quoted companies. The specific objectives were to establish the effect of firm age and firm size on the financial reporting timeliness. The longitudinal research design was used for the study with extensive reliance on secondary data retrieved from annual reports. The sample for the study comprises quoted firms across sectors of the Nigerian stock exchange. A sample of 40 companies from 2010-2015 was used for the study. The method of data analysis adopted was descriptive statistics, correlation statistics and regression analysis using the Generalized Least Square Regression (GLS). The result revealed that firm age has no significant effect on financial reporting timelines, and firm size has no significant effect on financial reporting timelines. The study recommended the need for companies to put in place measures of reducing the time lag between the financial year end and the Annual General Meeting (AGM) to boost the confidence the financial statement users have in using financial statements for decision-making (Ekienabor & Samson, 2018).

Arowoshegbe *et al.* (2017) examine the factors that influence the timeliness of an audit report in Nigeria. The specific objectives were to analyze the effect of audit firm type, audit firm switch, size of the company and age of the company. A pooled sample of 42 financial and non-financial companies quoted on the Nigerian Stock Exchange (NSE) was examined. The period covered was 2012-2015. The quasi-experimental design method

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was used. The Panel data analytical techniques were employed. The Ordinary Least Square (OLS) regression method was used to analyze the data. The findings revealed that audit firm type, size of the company and age of the company are factors that affect the timeliness of audit reports in Nigeria. The study shows that while audit firm type has a positive significant effect on audit report timeliness, the age and size of the company have a negative significant influence on the timeliness of audit report. Audit firm switch was discovered to have no significant influence on the timeliness of an audit report. The study recommended that companies should ensure that internal mechanisms are put in place to accelerate audit report processes in Nigeria and that regulatory authorities should intensify the pursuit of timeliness of audit reports among companies in Nigeria (Arowoshegbe et al., 2017).

Adebayo and Adebisi (2016) investigated the timeliness of financial statements among the Deposit Money Banks in Nigeria. The specific objectives were to determine the extent to which bank size, leverage, profitability, and audit firm size affect the timeliness of financial statements. The study selected a sample of 15 Deposit Money Banks listed by the Nigeria Stock Exchange between 2005 and 2013. The data were analyzed and results were estimated using Ordinary Least Square (OLS) Regression which was complimented with the panel data estimation technique. All the variables examined were found to be statistically significant except for leverage. The findings revealed that most of the banks now comply with regulations which enhance the timely reporting of financial statements in Nigeria. The study recommended that the regulatory agencies should not allow the time lag to be too long so that the report will be useful for the intended purpose (Adebayo & Adebisi, 2016).

Gap in Literature

The most obvious gap filled by this study results from the complete unavailability of studies that investigated the moderating effect of Firm Size on the relationship between Firm Characteristics and Timeliness of Financial Reports especially among Insurance Companies in Nigeria created a yawning gap this study fills. Secondly, this study fills the gap that was created by shorter periods of studies reviewed which covered between three (3) to six (6) years only. For instance, Abdullah *et al.* (2019), Mutiara *et al.* (2018), Ahmad *et al.* (2018), and Warrad (2018) covered only 3 years, Chukwu *et al.* (2019) studied covered 4 years, while, Raweh *et al.* (2019) and Surachyati *et al.* (2019), Hoang *et al.* (2018) and Alsmady (2018) covered only 5 years. Others including the work of Okerekeoti (2022); Ekiabor *et al.* (2018) and Bakare *et al.* (2018) which covered only 6 years each.

Hypotheses Development

For achieving the stated objectives, the following null hypotheses were formulated to be tested.

H01: Firm size has no significant effect on audit report delay of quoted Nigerian insurance companies;

H02: Firm age does not have a significant effect on audit report delay of quoted Nigerian insurance companies.

Methods

This study adopts the *ex-post facto* research design because the firms’ activities under study had taken place and the data are historical. The population of the study consists of the Fifteen (15) insurance companies quoted, in Nigeria as of 31st December 2021. The study sample size is Fifteen (15) insurance companies quoted on the Nigerian Stock Exchange as the 31st December 2019. The sampling technique adopted by this study is the Census Approach which requires that the entire population is sampled for study especially where the population is small such as in this study. The panel data used for this study were obtained from secondary sources obtained from the various insurance companies’ financial statements. The data were analyzed with the use of a robust multiple regression technique The diagnostic tests conducted were Descriptive statistics for mean, standard deviation and range, Pearson Correlation Matrix for Multicollinearity, Shapiro-Wilk data normality test to determine the pattern of the data distribution and Heteroskedasticity to determine the stability of the variance.

Variable Measurement and Justification

The variables under study are explained in Table 1 below.

Table 1. Operationalization of Variables

Variable	Type	Measurement	Justifications
Audit Report delay (ARD)	Dependent	Number of days from accounting year - Delay end to date of Annual General Meeting	Edeh <i>et al.</i> (2023); Zebaghafa <i>et al.</i> (2022); Alade <i>et al.</i> (2022) and Adediran <i>et al.</i> (2018).
Firm Size (FSZ)	Independent	Natural logarithm of firm’s total assets	Edeh <i>et al.</i> (2023); Zebaghafa <i>et al.</i> (2022) Ogbob&Aigienohuwa (2021).
Firm Age (FAGE)	Independent	Number of firm years of existence	Okerekeoti (2022); Ekienabor <i>et al.</i> (2017); & Alsmady (2018).

Source: Researcher’s compilation, 2023.

The regression estimation of a dependent variable and a set of independent variables as the regressors is adopted in this study. The dependent variable is Timeliness of financial reports proxied by audit report delay (ARD), and the independent variable Firm Characteristics is represented by firm size (FSZ) and firm Age (FAGE). Specifically, the functional linear regression is presented below:

$$ARD = f(FSZ + FAGE)$$

Representing the relationship in an econometric form, it becomes:

$$ARD_{it} = \beta_0 + \beta_1 FSZ_{it} + \beta_2 FAGE_{it} + \mu_{it} \dots\dots\dots \text{Model.}$$

Where:

ARD = an indicator representing audit report delay (a proxy for dependent variable);

β_0 = Intercept term (a constant);

β_1 = Coefficient of Firm Size;

β_2 = Coefficient of Firm Age;

FSZ = a predictor representing Independent Variable (Board Size);

FAGE = a predictor representing Independent Variable (Firm Age);

μ = Stochastic error term;

i = Firms;

t = Periods; and

f = Functional relationship.

Results

The data used for this study were subjective to the following diagnostic and estimation tests.

Descriptive Statistics

The table below displays the descriptive statistics of the model which summarizes the distribution pattern of the dataset.

Table 2 Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
l_ard	195	236.267	173.657	43	1745
l_fsz	195	6.959	.3718	3.61	7.773
fage	195	34.933	14.154	15	62

Source: STATA software output, 2024.

Results from Table 2 above revealed expectedly that all the variables have mean values that fall between their respective minimum and maximum which according to Ifarajimi and Ola (2017) is an indication that the data distribution is evenly spread. The

results also revealed that the standard deviation which describes the extent of dispersion from the central mean for all the variables were lower than their respective mean, which signifies that the variables were less dispersed and therefore had slow growth rates during the period studied (Ifarajimi & Ola, 2017).

Pearson Correlation Matrix for Multicollinearity

Table 3 below shows the results of the Pearson correlation matrix which tested the strength of the relationship between the independent variables. According to Hair *et al.* (2005), any two independent variables that correlate above 0.85 (85%) lack independence of one another and should therefore be investigated further.

Table 3 Multicollinearity Test

	l_ardly	fage	l_fsz
l_ard	1.0000		
Fage	-0.0295	1.0000	
l_fsz	-0.0211	0.1658	1.0000

Source: STATA 12 output, 2024.

Results from Table 3 above revealed that no two independent variables correlate with one another to the level stipulated by Hair *et al.* (2005), in fact the strongest correlation is between firm age and firm size at 16.6%. Firm age correlate negatively with audit report delay (ARD) at -0.0295, while it has -0.0211 correlation with firm size. These results indicated that there is no multicollinearity within the model (Lorice, 2006).

Shapiro-Wilk Normality Test

Table 4 below presents the Shapiro-Wilk normality test which is concerned with determining whether the residuals were is normally distributed around or not. The rule of the thumb is that any variable with a p-value that is less than 0.05 has residuals that were not normally distributed, while, a variable with p-value that is higher than 0.05 has normally distributed residuals.

Table 4 Data Normality Test

Variable	Obs	W	V	Z	Prob>z
ARD	195	0.6809	40.298	8.421	0.0000
L_FSZ	195	0.6833	39.985	8.404	0.0000
FAGE	195	0.9241	9.584	5.149	0.0000

Source: STATA output, 2024.

Results from Table 4 above revealed that all the variables have a prob>z values of 0.000 which are significant at 1% level and which imply that their residuals were all not normally distributed. One basic implication of this results is that the use of ordinary least

square (OLS) method of estimation has been ruled out as normal distribution of data is an assumption for OLS. The robust regression which is less susceptible to the effect of such unusual data was used to estimate the model (Ziegel et al., 2004).

Heteroskedasticity White Test

Table 5 below shows the results of the heteroskedasticity test to the stability of the residuals. The decision rule is to reject the null hypothesis of constant variance if the p-value is lower than or equals to 0.05 or accept the hypothesis if the p-value is greater than 0.05.

Table 5 Heteroskedasticity Test

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity	
Ho: Constant variance	
Variables: fitted values of ard	
chi2(1)	= 22.41
Prob > chi2	= 0.1401

Source: STATA output, 2024.

Table 5 above revealed a prob>chi2 of 0.1401 which is greater than 0.05 indicating that the null hypothesis which states that there is constant variance is accepted. This signifies that the model residuals have constant variance. The implication of this result is that the findings of this study are good for predicting future outcomes.

Regression Analysis

The regression estimate of this model was done with the aid of Robust estimation method.

Table 6 Regression Analysis

	Robust			
l_ard	Coef.	Std. Err.	z	P> z
l_FSZ	-0.2454	0.0966	-2.54	0.003***
FAGE	0.0626	0.0438	1.43	0.312

R-squared Overall = 0.4111

Wald chi² (9) = 27.23

Prob > chi² = 0.000

Note: *** = 1% significant level.

Source: STATA output, 2024.

Table 6 above showed that coefficient of determination which measured the combined effect of the independent variables on the dependent variable was 0.4111, which implies that about 41% of the variations in the dependent variable (Audit Report Delay) was caused by the independent variables (firm size and firm age) during the period studied. The Table also reveals a Wald chi² of 27.23 and a prob>chi² of 0.000 which indicated that the model is fit.

Discussion

Table 6 above revealed that firm size (FSZ) has a significant negative effect on audit report delay (ARD) with a coefficient of -0.2454, a z-stat of -2.54 and a p-value of 0.003, which means that holding other variables constant, a unit increase in the unit of total assets of insurance companies in Nigeria from 2009-2021 engenders a significant decrease in the delay of Audit reports. This finding is in agreement with those of Ogbodo and Aigienohuwa (2021); Adediran *et al.* (2019), who found out that firm size has a significant effect on timeliness of financial reports. The finding however, disagrees with that of Ekienabor and Oluwole (2018) who reported that firm size has an insignificant effect on financial report timeliness. This finding agrees with Resource Dependency Theory which supports large Firm Size whose resources could be brought to bear on their monitoring role and improve Financial Report Timeliness.

Results from Table 6 above showed that firm age (FAGE) has an insignificant positive effect on audit report delay with a coefficient of 0.0626, a z-stat of 1.43 and a p-value of 0.312, which means that, holding other variables fixed, a unit increase in the number of years of a company's existence will lead to an insignificant increase in the delay experienced in releasing audit reports. This finding is in consonance with those of Edeh *et al.* (2023), and Clatworthy and Peel (2016) who found out that firm age has an insignificant relationship with Timeliness of Financial Reports. The finding, however, contradicts that Zebaghafa *et al.* (2022) of who observed that firm age has a significant effect on financial report timeliness.

Conclusion and Recommendations

Arising from the findings of this study, the following conclusions were drawn. Firm size has the potential of reducing audit report delay because of the available enormous human and material resources whose deployment a significantly reduce delay in financial reporting. The longer the existence of a firm (Firm Age), the more likely is it for the firm to expand having more units, branches and even subsidiaries which are likely to delay the publication of its audit reports as this study showed positive effect on Audit Report lag. Based on the findings and conclusion drawn from this study, the following recommendations are made.

1. Insurance companies in Nigeria should ensure they have enough assets as larger firms would be able to fund their activities with ease and help to significantly reduce audit delay.

2. Since expansion is usually associated with longer period of existence, management of Insurance Companies should endeavor to hire competent staff with experience to help in the audit process for age to have significant negative effect on Audit Report lag instead of the insignificant positive effect.

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