CORPORATE GOVERNANCE AND AUDIT LAG IN NIGERIAN QUOTED COMPANIES

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CORPORATE GOVERNANCE AND AUDIT LAG IN NIGERIAN QUOTED COMPANIES

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(International Accounting)

CERTIFICATION

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DECLARATION

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May, 2015

DEDICATION

This thesis is dedicated to Almighty Allah and my late father Malam Suleiman Mohammed may his soul rest in perfect peace and may Almighty Allah subhana wata'ala reward him with Aljannah Firdausi.(Amin ya Allah)

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ABSTRACT

Unnecessary audit lag or delay decreases the quality or superiority of the financial report by not allowing investors and stakeholders to have appropriate information about their investment. The audited Financial Statements are important instrument for decision making purposes. However, before it can be released to the public, it must be examined by the auditor. Thus, the speed of Financial Statements production is subject to the completion of audit work. The purpose of this study is to investigate the audit lag (i.e. time taken to complete the audit work) of Nigerian quoted companies, as listed on the Nigerian Stock Exchange for the period of 2012 to 2013. The examination was conducted on a pooled sample of 266 firm-years across ten industries. Data collected was analysed by the regression method and the results from the analysis show that, on average, Nigerian auditors spend 132 days to complete the audit work. The time taken is more than the time allowed for the submission of the annual return to the Nigerian Stock Exchange, i.e. 120 days. Firm size, leverage and profitability were established to be significant in explaining the audit lag. It is argued that bigger companies, in order to maintain investors' confidence, would make their Financial Statements ready for audit earlier than smaller companies. In addition, since these companies also have better internal control, it is relative easier for their auditors to complete the audit field work. However, companies with more leverage and profitably were found to subject to longer audit work. This is perhaps due to auditors' doubtful about the reported accounts since fraudulent reporting is not unusual in Nigeria. The following recommendations are suggested. The release of businesses' financial report ought to be done appropriately, hence that will enable the shareholders to make the right investments decision. The supervisory agencies (e.g. SEC, NSE, CAMA) should formulate a strict and rigid polices that will force the companies to comply with the timely release of audited accounts.

Keywords: Auditing, Audit lag, Corporate Governance, Nigeria

ABSTRAK

Kelewatan audit mengurangkan kualiti atau keunggulan laporan kewangan kerana pelabur dan pemegang kepentingan tidak mempunyai maklumat yang mencukupi mengenai pelaburan mereka. Penyata Kewangan yang telah diaudit adalah alat penting untuk tujuan membuat keputusan. Walau bagaimanapun, sebelum ia boleh dikeluarkan kepada orang ramai, ia mesti diperiksa oleh juruaudit. Oleh itu, kepantasan masa pengeluaran Penyata Kewangan adalah tertakluk kepada penyiapan kerja audit. Tujuan kajian ini adalah untuk menyiasat penentu kelewatan audit (iaitu masa yang diambil untuk menyiapkan kerja audit) oleh syarikat Nigeria yang tersenarai di Bursa Saham Nigeria bagi tempoh 2012 hingga 2013. Pemeriksaan ini dijalankan ke atas sampel yang dikumpulkan daripada 266 sampel daripada sepuluh industri. Data yang diperolehi dianalisis dengan kaedah regresi dan keputusan daripada analisis menunjukkan bahawa, secara purata, juruaudit Nigeria menghabiskan 132 hari untuk menyiapkan kerja audit. Masa yang diambil adalah lebih daripada masa yang dibenarkan untuk mengemukakan penyata tahunan kepada Bursa Saham Nigeria, iaitu 120 hari. Saiz firma, keberhutangan dan keuntungan di dapati signifikan dalam menerangkan sebab kelewatan audit. Bagi mengekalkan keyakinan pelabur, syarikat-syarikat besar , berbanding syarikat kecil, akan menyediakan Penyata Kewangan mereka lebih awal bagi tujuan audit. Di samping itu, syarikat-syarikat besar ini juga mempunyai kawalan dalaman yang lebih baik, maka secara relatifnya lebih mudah bagi juruaudit untuk menyiapkan kerja lapangan audit. Walau bagaimanapun, syarikat-syarikat dengan keberhutangan dan keuntungan yang lebih tinggi, didapati mengambil lebih banyak masa untuk diaudit. Ini mungkin disebabkan oleh keraguan juruaudit terhadap akaun yang dilaporkan kerana penipuan laporan kewangan bukanlah suatu yang asing di Nigeria. Cadangan-cadangan berikut disyorkan. Pengeluaran laporan kewangan perlu dilakukan dengan sewajarnya bagi membolehkan para pemegang saham untuk membuat keputusan pelaburan yang tepat. Agensi-agensi penyeliaan (cth SEC, NSE CAMA) seharusnya merangka satu dasar yang tegas dan tegar yang akan memaksa syarikat-syarikat untuk mematuhi pelaporan kewangan yang tepat pada masanya .

Kata Kunci: Pengauditan, Kelewatan Audit, Tadbir Urus Korporat, Nigeria

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LIST OF ABBREVIATIONS

ABBREVIATIONS	DESCRIPTIONS OF THE ABBREVIATIONS
ADB	Asian Development Bank
AUDIOPN	Audit Opinion
AUDLAG	Audit Lag
AUDITYP	Auditor Type
ACEEXP	Audit Committee Expertise
BSIZE	Board size
CAC	Corporate Affairs Commission
CBN	Central Bank of Nigeria
CAMA	Companies and Allied Matters Act
FSIZE	Firm Size
LEVG	Leverage
LOCN	Location
NAICOM	National Insurance Commission
NDIC	Nigerian Deposit Insurance Corporation
NSE	Nigerian Stock Exchange
PENCOM	Pension Commission
PROFT	Profitability
SEC	Securities and Exchange Commission

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Before making investment decisions, stakeholders participating in the capital market need to be accustomed with the magnitude of consistency of financial reporting quality and perfection of the audited annual report Abu and Arshad (2014). It is also important for businesses and stakeholders who want to invest in the capital market to know the quality and the financial position of the organisation. The rapid evolution of international business and the globalisation of investment markets has make it essential to measure the reliability and perfection of financial statements for investment purpose. The presentation of reliable and efficient financial report in different countries around the globe will encourage timely investment by the stakeholders (Abdul Hamid, Shafie, Othman, Wan Hussin, and Fadzil, 2013). Appropriateness of financial report is an important characteristic of relevancy of financial information. Delayed information is of no use to shareholders in the process of making investment decision. Undue deferment in release of financial reports intensify uncertainty related with decision on investment. Consequently, all business establishments are indebted to gratify the authentication demands of shareholders and potential stakeholders by providing timely and efficient evidence in the annual reports for decision purpose (Chalaki, Didar, and Riahinezhad, 2012).

As a result of audit gap, a research into the appropriateness of financial reports would be in the precise way towards sustaining shareholders' self-confidence and reducing

the insufficiencies connected with audit lag in Nigerian companies (Adegbite, 2014; Ramanan, 2015).

Outstanding the cumulative association of business level and sales of shares in capital market, it is necessary to have a quality and well-timed financial reports or information. This has become a domineering transversely around the world. It was observed "in most cases" that financial overstating always lead to a delay in acquiescing the financial statement on time to the respectful users (Ismail, Armstrong, and Clark, 2010).

Analysing the significance of appropriate announcement of financial reports, supervisory agencies such as Securities and Exchange Commission SEC (2011), Insurance Act, Banks and other Financial Institution Act BOFIA (1999), Companies and Allied Matters Act CAMA (2004) in Nigeria have set legislative period boundaries that all listed companies were mandated to publish their examined financial reports to the shareholders and other users. It is expected that all the companies must file such financial statement with the appropriate governing bodies like the Corporate Affairs Commission, the Security Exchange Commission (SEC) within four months (120 days) of their accounting year ended.

Azubike (2014) states that towards the end of financial year, directors in the organizations concentrate and produce proper account records to the investors and the appraised account is subjected to audit by an independent outside examiner(s) before the last publicity. It took various days to months for managements to set up or prepare the authentic financial statement. The delay between the period of financial accounting year end and readiness of the audit report is identified as audit lag (Alhazaimeh, Palaniappan, and Almsafir, 2014).

Audit lag is hence characterized as number of days delayed from the financial accounting year end to date of the report. Audit report is an essential data intermediary at all the time and is a centre that all audit firms, organizations, financial controllers and investors communicate on and its report lag specifically decides the convenience of decision making choice (Habib and Bhuiyan, 2011). Unnecessary lag imperils the superiority of financial reports by not giving well-timed data to shareholders and potential stakeholders. Late disclosure of audited report about the sincerity and efficiency of financial statement always weaken willingness of the investors to invest in the organization concerned. The weak arrangement by the management sometimes magnifies the audit lag of data smoothness and ambiguity in investment speculation choices (Mohamad-Nor, Shafie and Wan-Hussin, 2010).

Also, Meeampol, Rodpetch, Srinammuang, and Wongsorntham (2013) consequently observed that audit lag may aggressively influence investors' trust in the investment market since past involvement in investment markets demonstrates that audit lag fundamentally influences the stakeholders' in terms of been duped of their investment and also on the level of instability speculated (Balasubramanian, 2013)

The call for amazing and timely financial information has gotten to be basic over the globe because of the expanding connection of business associations and offer of shares in the capital market (Abidin and Ahmad-Zaluki, 2012). In another perspective, the business organizations are being indulged by the regulatory bodies to produce all financial data on requests of investors and prospective stakeholders and to give them timely financial data in the annual financial reports (Alhaji and Aca, 2012). Investigation about corporate audit lag disclosure choices has led to a large torrent of

research in different developing countries. This research is well shortened for example it gives appreciated understandings on what are the reasons and magnitudes of different forms of audit delay or audit lag in Nigeria and around the globe. However, prior researchers have mainly been focusing on the reaction by different corporate entities on timely financial reporting quality without considering the audit delay factors (Abu and Arshad, 2014). At the same time only fewer have studied the judgement choices by the managers with apprehension to the release of the annual financial statements on timely bases.

There are two essential types of timeliness as indicated by Feltham (1968) in particular: "reporting delay" and "reporting provisional". Reporting delay is the act of postponing the financial report until later time, defer or slower than expected time. Reporting provisional can be seen as how regular an organization reports their financial data, the more successive the better the favourable association between the companies and the investors, in light of the fact that financial data is spread to investors once in a year more (Fu, Kraft and Zhang, 2011).

Reporting delay can likewise be depicted as audit lag and it will be the main variable of discussion in this dissertation. The critical examination on audit lag is likewise observed by Givoly and Palmon (1982) as cited by Rahman, Yammeesri, and Perera, (2010) who said that while various studies had their attention on the effectiveness of yearly reports and some have inspected the included profits of the more continuous quarterly reports, lesser exploration is carried out on audit lag. In addition, the lag in production of financial reports is responsible for unpredictability connected with investment decision making by stakeholders. These in return could jeopardised the interest and wiliness of investing in the capital market by the prospective investors.

Audit lag is also defined as the interval stuck between a business's financial year end and date of announcing the report. It is one of few superficially observable audit productivity variable that permit foreigner to measure audit effectiveness around the globe (Alkhatib and Marji, 2012). The auditor's reports is perceived as independent investigation and countenance of opinion on the financial statement of business's annual report (Alhazaimeh et al., 2014). The impartial of audit is to autonomously confirm the elements and grounding of business's financial statements conferring to the ethics, laws, regulation and other necessities for investment purpose.

The appropriateness of audited corporation annual report may be considered as a significant characteristic inducing the effectiveness of information presented to peripheral users for judgement perseverance process in terms of investment decision (Dechow, Ge, and Schrand,(2010), Kurawa and Kabara, (2014) Kelton and Yang, (2008).

For financial information to be advantageous it should retain excellence features of accounting information; relevance, comparability, authentic exemplification, timeliness, confirmable and comprehensible frame work (Haw, 2000) The accounting supervisory body and specialized agencies and users of accounting information, they all recognized that appropriateness and efficiency of annual reports is a significant elements in financial accounting (Janggu, Darus, Mohamed, & Sawani, 2014).

Aman, (2013) observed that audit lag is "the number of days from financial year end to date of publication and unwarranted lag endanger the value of financial reports by not providing appropriate evidence to shareholders about the activities that relates to the organisation. The investors' assurance in the capital market can be affected due to

delay in disclosure of auditor opinion relating to the true and fair view about the financial stand of the organization. The management may try to exaggerate the information, irregularity and increase the uncertainty in investment which subsequently may unpleasantly affect stakeholders'.

Salin, Kamaluddin and Manan (2011) emphasise that audit lag is solitary supreme important contributing factor of timeliness in earnings pronouncement, which in return controls market response to earnings declaration. Moreover, Botti, Boubaker, Hamrouni and Solonandrasana, (2014) proposed that an unanticipated report lag could be related with poor and inferior quality information.

The study of the Malaysian capital market supervisory body states that financial misreporting and fraud "in most cases" are caused by financial irregularities often preceded or accompanied by a lag in submitting the financial statement in time (Mohammed et al. 2010). This issue of lag is now predominantly persistent as investors needs information about the companies, it became paramount specifically with cumulative use of internet by people which are taking benefit of modern improvements in information technology, businesses universally are progressively using internet to release a comprehensive range of reports and documents about the companies activities (Abdel-Meguid, Ahmed, & Duellman, 2013).

1.2 **Statement of the Research Problem**

Quite a lot of studies on the audit lag of corporate reporting and/or audit delay have remained item of concern in a number of countries because of the multiplying effect in corporate scandals. The prerequisite to increase the significance of financial report

quality by formulating a decent governance machinery that will reduce audit lag in organizations is one of the concepts that necessitate this study. Audit lag is the time interval wedged between the balance sheet date and the audit report date is a fundamental issues nowadays because of fraud and irregularities associated with delay of vital information, delayed information is of no use to stakeholders in investment policymaking procedures (Adegbite, 2014).

Duality is when individuals serve as CEO at the same time chairman of the board. It is observed that there will be no full disclosure of all vital information to the shareholders and other users of the financial records (Dabor & Adeyemi, 2009). Under normal circumstance, there should be segregation in the post of CEO from chairman of the board for proper accountability and to reduce audit lag (Banimahd, Moradzadehfard, & Zeynali, 2012). In view of the above, the researcher intend to investigate if any relationship exist between CEO duality and audit lag.

Zanani, Abdullah, Shahnaz, and Nurasyikin (2008) states that “the more the number of board members the more the delay in information” because of communication synchronization problem which makes large board less effective in terms of monitoring than smaller board. In view of the above statement it is necessary to examine if at all there is any important association between board size and audit lag.

Abernathy, Beyer, Masli, & Stefaniak (2014) categorize audit committee expert as any member with professionals qualification or if they historical service knowledge in finance or book-keeping, necessary professional qualifications in accounting, any additional financial understanding, experiences that will result in financial superiority. They observed that the more the financial professional in the committee the less the

audit delay. The researcher intend to explore the relationship between audit committee expertise and audit lag.

Habib & Bhuiyan (2011) discovered that corporations which have an audit opinion extra than a standard unqualified opinion, are more possible to have a higher reporting lag. This is due to the fact that if qualified opinion is released the investor may decide to withdraw their investments because of poor performance and the company may loss its reputation. In view of qualified opinion, there is tendency for audit lag. The researcher want to know if any relationship exist between audit opinion and audit lag. The researcher also want to know if auditor location, firm size, leverage, auditor type and profitability have a significant relationship with audit lag.

Unnecessary delay in holding financial reports increases uncertainty connected with investment pronouncements by the investors' (Abu & Arshad, 2014). In Nigeria, stock-brokers described the situation of the NSE as unacceptable escapism, noting that while the same CAMA and Investment and Securities Act (ISA) applied to all corporate entities, NSE had relied on its regulations to impose sanctions on companies that failed to file their financial statement within the specified timeframe. Nigerian stock brokers urged the NSE to maintain the same measures it set for quoted companies and market operators under its rules. Appendix III of the NSE's Greenbook, contained the listing requirements of the market. Part 14 of the Appendix III states that "any previous entry of accounts shall attract a fine of N100, 000 ($513) per week from the due date until the date of submission" while "a listed company who infringes any of the provisions of the Listing Rules & General Undertaking and fails to pay the penalty levied on it for such contravention on or before the due date shall be liable to a further fine of N300, 000 ($1,538) in addition to N25, 000 ($128) per day for the

period the assault continues." Likewise, sanctioned businesses are expected to state in the subsequent annual report details of the fine levied for audit lag. According to the NSE, there were 136 companies with 31st December as their financial year-end as at 31st December 2013 only 71 companies had submitted by the close of working hours.

In 2014, the NSE sanctioned 23 listed companies with a total fine of #37.9 million ($194,359) from January to August this year 2014, for late filing of their 2012 and 2013 financial statement after the regulatory due date. Data received from the annual report of NSE shows that FTN Cocoa industry was furnished with a substantial fine. The corporation was fined #6.1 million ($31,282) for late filing of its financial accounts for December, 2012 period and extra #900, 000 ($4,615) for the evasion filing of its financial statement for the year ended 31st December 2013, conveying a total fine of #7 million ($35,897). Ikeja Hotel PLC was fined #5.5 million ($28,205) for fading to file its financial statement when owed. International Energy Insurance, Aso Savings and Loans took to pay a fine of #5.4 million ($27,692) and #5 million ($25,641), individually for the defaulting filing of their 2012 financial accounts. Similarly, Interlinked Telecom was queried to pay #2.9 million ($14,871), while Sovereign Assurance Trust, Niger Insurance was charged #1.1 million ($5,641) and #1 million ($5,128), individually. The remaining 11 enterprises all had to pay less than #1 million ($5,128) for defaulting filing of their financial accounts for the fiscal year ended December 2013. Moreover, Continental Reinsurance was fined #900, 000 ($4,615), AIICO Insurance #800, 000 ($4,102), Oasis Assurance and WAPIC Assurance paid #700, 000 ($3,589). Regency Alliance Assurance and LAW Union & Rock were respectively fined #600, 000 ($3,077), though NCR and Studio Press were requested to pay #500, 000 ($2,564) and #400, 000 ($2,051), individually. NASCON and A Laz & Co. Were charged #300, 000 ($1,538) each and Abbey Building PLC

paid #200, 000 ($1,025). The post-listing rules of NSE states that audited annual accounts of companies should be submitted within one hundred and twenty days (4 months) after the year end. Stockbrokers, who are members of the NSE, are also required to comply with similar regulation.

Consequently, a study into appropriateness in financial reports will be in the precise track in the direction of satisfying financiers' self-confidence and plummeting the insufficiencies connected with financial report in Nigeria (Dabor & Adeyemi, 2009). A lot of studies were conducted in the United States relating to audit lag, companies audited report are compulsory for public disclosure within 90 days (3 months) after end of financial year while quarterly reports should be contained by 46 days according to US, SEC, Regulations (Kinney and McDaniiel, 1993; Han and wild, 1997, Krishnan, 2005) as cited by Lai & Chen (2014). Several studies on audit lag have been carried out in both developed and developing nations (Botti et al. 2014). For example Abdelsalam & Street, (2007) in United Kingdom and found that public enterprises are classified into three classifications of filers established on market value of their equity. Adesina Olugoke Oladipupo and Izedonmi (2013) Clatworthy (2010) in Nigeria, Chen, Firth, Gao, & Rui (2006) in China, Gajevszky Andra (2015) in Romania, Banimahd et al. (2012) and Chalaki et al. (2012) Iran, Nordin (2010), Abdul Hamid et al. (2013) and Balasubramanian (2013) in Malaysia and Aman (2013) in India. Nevertheless, the area has not be given adequate and clear research substantiation in Nigeria specifically when compared with what is attained in numerous developed and emerging markets and this has compelled this study.

The call for timely and quality financial information has become inevitable because of the role it plays in making investment decisions and to other users of the audited reports. Those necessities make regulatory agencies like Securities Exchange Commission (SEC), Corporate Affairs Commission, Central Bank of Nigeria and National Development Insurance Corporation to have made a number of enactments and set legislative time limits contained which registered companies are obliged to produce and make it public the audited financial accounts to investors and also file such reports with the appropriate supervisory bodies. In lieu the CAC and SEC necessitate corporations listed on the Nigeria exchange market to file in their annual reports within 120 days of their accounting year. Nevertheless, most establishments present their reports much later than this date (Oladipupo and Izedonmi, 2013). Following this requirements, this research work accordingly examine the audit lag or delay of audited financial reports in Nigeria companies. Why does this inclination continue? Consequently, a study of the contemporary level of appropriateness of audit report in Nigeria is the factual evolution and this gap motivate the study.

In addition, some of the fundamental problem but not statistically tested that may sometime cause the audit lag is the act of using some influential personalities such as Retired Generals, former Ministers, former Head of State, former Governors, Emirs, Kings and so on as a member or as the chairman of the companies. Protectively, because of their reputation it seems most of the companies try to delay their audit report and refuse to comply with the laid down rules of the regulatory bodies (Adegbite, 2014).

It is expected that all management of businesses entities to comprehend and need to make public the financial reports within the time boundary set by the monitoring

authorities which serve as a solid advancement instrument to retain the stockholders and fascinate potential stakeholders (Ainul, Wan, Razali, and Arshad, 2014)

1.3 **Research Questions**

In order to conduct this research work successfully, the research developed the following research questions so as to guide through the conduct of the research work in which by answering the research questions the research objectives could automatically be achieved.

1 Is there any relationship between CEO duality, board size, and audit committee expertise and audit lag?

2. Does firm size have any relationship with audit lag?

3. Is there any association between auditor opinion, location, firm size, leverage and audit lag?

4. What is the relationship between auditor type, profitability and audit lag?

1.4 The Objective of the Study

This research work is aimed at investigating the influence of corporate governance on audit lag in Nigerian quoted enterprises as regulated by the Corporate Affairs Commission, the Nigerian Stock Exchange and other regulatory bodies which could be achieved through attainments of the following objectives

1. To determine if there is any relationship between CEO duality, board size, audit committee expertise and audit lag

2. To explore the relationship between firm size and audit report lag

3. To examine if there any association between auditor opinions, location, auditor type, and audit lag

4. To explore if there is relationship between, firm size, leverage profitability and audit lag.

1.5 Scope of the Study

According to NSE fact book (2013) the audit and report should be delivered as soon as possible after the audit. It should recapitulate audit discoveries and recommendations. Where appropriate the report should comprise reactions or summary replies from agents of the audited party. The audit report objective is to produce value for all parties to the audit procedure, for example by observing and encouraging good practice or recognizing areas where agreement terms may require clarification. Oladipupo and Ilaboya, (2013) state that Securities and Exchange Commission propelled committee for the programme of best practice for corporations in Nigeria implemented in year 2003 and reviewed in the year 2011. As such, the scope of this study shields all the registered enterprises in Nigerian Stock Exchange for the period of 2012 and 2013 as two years study and to systematically evaluate the effectiveness and efficiency of the reviewed version of corporate governance Act in 2011. This study is premised on the assessment of audit report lag in financial statements of companies in Nigeria. Therefore, the relevant data on corporate organisations are pursued in providing answers to the difficulties and questions that have been outstretched in this research work. The study concentrates on companies quoted on floorboards of the Nigerian Stock Exchange. This study is projected to cover the following variables: location, coverage, CEO duality, board size and audit committee expertise, firm size and

auditors' type. The following should be used to serve as control variables: leverage, and profitability and their relationship with audit report lag.

Nevertheless, like all former researches, this study also has its own boundaries which may hamper the scope of over-all generalization of the result. In the commencement, the researcher target was to include all quoted enterprises in the Nigerian stock market. The most important short coming of this research work is the timeframe. Due to the time factor, the study cannot extend its frontiers to cover a time period of more than two years. Another shortcoming of this study is sample size of the study because financial sectors were eliminated from the sample size since they have different regulatory bodies, time constraints. Consequently, companies that are not listed on the Nigerian Stock market were excluded and the result of the research will be restricted to only listed companies.

1.6 Significance of the Study

Stakeholders with other users that keep on relying on audited financial records that will give them an amount of confidence have been dissatisfied because of unnecessary delayed caused by some business corporations. This study on the audit lag or delay in financial reports consequently have significant influence data availability to safeguarding and ensure that financial reports are released on well-timed base to guide the shareholders in making knowledgeable judgements in their investments. Moreover, the study will deliver confirmation on current level of business audit delay. Appropriateness of financial record is one of the significant instruments of accounting information (Adegbite, 2014). Decayed information is of no use to stakeholders in

investment policymaking processes. McGee and Yuan, (2012) observed that all stock exchanges and securities regulating commissions have procedures concerning the time financial reports can be delayed beforehand issuance. Although, all countries stock exchanges market have such procedures and such guidelines may not continuously be followed. Therefore, a study on financial report lag or delay is a declarations by corporations in Nigeria capital market as an effort in directing heartening security of stakeholders by the capital market supervisory body (Austine, 2014). Appropriate reporting will improve policymaking and lessen information asymmetry in capital markets (Banimahd et al., 2012). In quintessence, research into determinants of appropriate reporting would be much significance to supervisory body in capital markets by expressing procedures that can improve the market productivity. This study has significance to the students on the understanding of the impact of corporate government on audit lag.

1.6.1 Social Implication

The research will be of utmost importance to standard setters (Financial Reporting Council of Nigeria and International Accounting Standard Board) as it will highlight the grey areas in which they will either make some necessary adjustment in their standard or use any other available measures that can enforce compliance with corporate code in the grey areas of audit reporting. Regulatory bodies such as C.A.C, N.S.E, S.E.C and CAMA will also find the outcome of the research useful in their routine activities of ensuring smooth operations in both money and capital markets of the nation and also among the social beneficiaries of outcome of the work if conducted are both local and international investors as the findings will increase the decision usefulness of timeliness of financial report of Nigerian quoted companies.

1.6.2 Scientific Implication

The outcome of the research will expand the frontiers of knowledge in the sense that it will document the level of audit report lag in Nigeria by Nigerian publicly quoted companies. It will also serve as literature reference to academics for future researches and useful to students who may wish to expand their learning in compliance areas.

1.7 Organisation of the Study

Gallantly this research work is organised in five chapters... The chapter one is the introduction to background of the study, problem statement, research questions, and objective of the study, scope of the study and significance of the study. Followed by chapter two which is review of related literatures, chapter three is the research methodology adopted or employed in the study, chapter four is the analysis of the results and findings and chapter five is the summary conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section represents the review of corporate entities governance and audit report lag in corporate entities around the globe and Nigeria precisely. The corporate governance mechanisms, corporate legal framework, code of best practice, regulatory framework for accounting, reporting and studies on audit lag will be discussed.

2.1 Corporate Governance

The concept of "corporate governance" has numerous definitions as one of the multidimensional nature in the field of accounting. However, there is no generally acknowledged operational definition of the term corporate governance (Puspitaningrum & Atmini, 2012). Many scholars provides their views of the term "corporate governance". According to Ramanan (2015), corporate governance is a mean of allotting the balance among commercial and social objectives and stuck amongst individual and collective goals. In contrast, Lo, Wong and Firth (2010) view it as a corporate framework designed to inspire the effective and proficient use of capitals and which similarly necessitate the answerability for stewardship of all resources used in managing the activities of the organisation. They further believed that it aims at bringing into line as nearer as possible the securities of individuals, society and corporation.

In line with this, the Nigerian Bank code of corporate governance dispensed from Central Bank of Nigeria (2003) defined the corporate governance as a structure by which businesses are administered and organized with an understanding to increase stakeholder value and meeting the expectation of other shareholders. Similarly, the Organization for Economic Corporation and Development (1999) view the "corporate governance as the system by which business corporation is focused and organized." It means that corporate governance arrangement stipulates dissemination of honesties and accountabilities between diverse members in the corporations, such as boards, managers, stockholders and other investors. This also influences the directions and measures for creating proclamations on corporate undertakings. In doing so, governance also set arrangement through which the companies goals are set and the way of accomplishing the ideas with checking the enactment of the management (Akle, 2011).

Corporate governance is also defined as "a system of regulation and comprehensive approaches by which organizations are directed and measured through concentration on the internal and external corporate arrangements with the objective of monitoring the activities of management and directors". Through that it justify the agency risks that could stalk from the transgressions of corporate managers (Janggu et al., 2014). This explained that in modern-day business organizations, the main external investor groups are the stockholders, debt holder's creditors, dealers, consumers and societies who can be affected by the company's activities and the internal interested party being the management, board executives and all other employees of the organization that need to be govern for proper utilization of resources (Ismail et al., 2010).

Much of the present concentration in corporate control is concerned with the rationalization of the skirmishes of interests between the managers and the shareholders. Ways of moderating or averting these conflicts of interests comprise the procedures, customs, regulations, and establishments which have an influence on the way a corporation is organized through corporate governance. An authoritative subject of control is the nature and greatness of corporate governance responsibility in most organization (Ainul et al., 2014)

A linked in line of the discussions concentrates on the influence of corporate governance control structure on global effectiveness with a resilient importance on stakeholders' prosperity relating to audit lag was properly discussed by Prommin, Jumreornvong and Jiraporn (2014). They state that without corporate governance most of companies will not survive. In most companies, where there is separation of proprietorship and management without controls element to represent investors, the principal agent problems ascends among the upper management that it's the ''agent'' which may have a diverse benefits. The jeopardy arises rather than supervision, management on behalf of stakeholders, the board of executives could turn out to be separated from investors and indebted to the management. This characteristic was predominantly contemporaneous in present-day public debates and improvements in monitoring rules (Alhazaimeh et al., 2014)

Economic analysis has occasioned in a lot of literature on the term corporate governance. One source describes corporate governance as " set of circumstances which figures the ex post negotiating above all intents and purposes rents produced by an organization. The businesses itself are demonstrated as a governance arrangement that stand-in through the machineries of the agreement. At this juncture corporate

governance may take account of its relation to business finance and resource management (Morck and Steier, 2005).

The Asian Development Bank (ADB, 2000) also examines corporate governance as the method in which supremacy is implemented in the management of a nation's society and economic possessions for growth. Tran (2014) perceives corporate governance as the structure for receptiveness and decision-making as well as the arrangement that turns pronouncements into actions in establishments. He sees corporate governance as the mixture of procedures, arrangements and associations through which corporate companies are directed and measured. In another view of Azubike (2014) assumes that corporate governance is the technique and method in which the activities of enterprises are directed by individuals charged with that obligation. In Nigeria, the governance of a limited liability company is the obligation of its board of administrators.

2.2 Corporate Governance in Nigeria

Historical background of corporate governance in Nigeria is maintained to be pretty much blended and mystifying. Notwithstanding, it is difficult to separate corporate governance from the Business Law by and large. Before the time the representation "corporate governance" got to be famous, Business Law perceived and statically recognizes two structures of an organization: governing body and the general public as a rule meeting. Corporate governance as an idea only focused on the more prominent centre that ought to be remunerated on how a general public ought to be dissolve around those put responsible for the organization's issues. Obviously, hence, the significance in the board of directors through institutionalization of fundamentals of comprehensive corporate governance in every organization can't be refused.

Projection of the board of managers in corporate governance is a clear exemplary meanings of corporate governance, it basically views corporate governance as methods, social frameworks which guide the industry undertakings on how they are coordinated and administered to enhance elongated relationship with the shareholder esteem in upgrading corporate intrinsic execution with responsibility and getting record that quest for different partners. As modern as the diachronic advancement of corporate foundation is in Nigeria, an endeavour has been increased here to catch this in legitimate point of view. It is important to discourse the authentic advancement of corporate governance from Nigeria in intermittent setting. For this to be achieved, four focuses are promptly classifiable.

2.2.1 Pre-1990 period:

Principally before 1990, Business Law edict in Nigeria was the Companies decree 1968. This presentation was a future accomplishment portrayal demonstrated subsequently in 1948 Companies of the United Kingdom. It confined itemized procurements with respect to the working of companies in connection to the features of the prominent board of managers and individual's in general meeting. All the same, this statute was not without its armies of impediments. As an end of various reactions from interested party, the societal Acts of 1968 was revoked, but superseded by No, 1 of the Companies and Allied Matters Decree 1990. Through some slight changes through the centuries, this law that is today recognized as Companies and Allied Matters Acts, (CAMA) Cap. C20, decree of the Federation of Nigeria 2004, is the essential statute directing corporations in Nigeria.

2.2.2 1990 to 2003

Companies and Allied Matters Act 2004 was the result of a thorough procedure advocated by the Nigerian Law Transformation Commission. It confined a ton of imaginative procurements, for example, procurements on more noteworthy and more compelling interest in, and control of, the issues of an organization through enhanced procurements in appreciation of gatherings. It has made getting ready for more noteworthy responsibility of managers. At the time the movement to amend the law launched, corporate governance has not come as an inimitable idea. In this way, the decree made over-all procurements on the governance of businesses enlisted in Nigeria. In any case, after the impending into supremacy of the law, some company difficulties all over the universe became the circulation of corporate governance to the bow. Subsequently, a few nations began exploring their corporate governance practices. This brought about a few nations allotting corporate governance programmes to discuss issues, neither particularly nor satisfactorily lean towards addressing individual organization presentation. The calamity of Enron, WorldCom and major real enterprises in mid-2000s conveyed corporate governance believed to have forward-facing flame everywhere all over the globe (Lindahl & Schadéwitz, 2013).

On account of Nigeria, the primary recognized corporate governance code can be lined to the Banks Code of Corporate Control and Other Financial Organizations in Nigeria which was in August 2003 stayed out by the Bankers' Committee. This Code is a consequence of the investigation of Bankers' Commission's Subcommittee on Corporate Control. It has begun in reaction to the financial disaster in the mid-1990s in Nigeria and in the acknowledgment that unfortunate corporate control was one of the factual components in about every single identified incident of financial segment

suffering. As is obvious from its terminology, the Code was fitting to all safe financial related and other nonfinancial institutions functioning in Nigeria in the fourth capacity was discharged. The significant shortcoming was that it was not distributed by a governor having been distributed by the premeditated association of banks Chief Executives of in Nigeria, generally acknowledged as Bankers' Committee. In this way, not an extraordinary arrangement was understood about the Code. Eleven (11) Principles were predicted in the code. The following are some of them:

i. Duties of the Board of Directors: The Board ought to practice obligation, initiative, activity, honesty and sound judgment in coordinating the Institution to accomplish proceeding with flourishing for the Institution and act to its greatest advantage, in a way in view of straightforwardness, responsibility and decency. Each Institution ought to be guided by a powerful Board that will be able to direct and regulate the affairs' of the Institution.

ii. Social association of top managerial staff: The Board ought to incorporate an equalization of official and non-official directors (including independent non-executive administrators) so that no single group or person can overpower the Board's choice in making decision.

iii. The Chairman and CEO, ought to be a clean separation of obligations at the fundamental level of the organization in the successive running of the Board and the administration of the establishment's business which will safeguard and protect individuals of potency and power, such that no single distinct has liberated forces of making decision.

iv. Appointees of the Board members: There ought to be a recognized and straightforward methodology for the appointment of new board of directors.

v. Minutes of the Directors: The Board ought to play consistently and Board individuals ought to go to meetings routinely.

vi. Directors' Remuneration: Institutions ought to make a formal and straightforward methodology for getting strategies on official compensation and for setting the benefit packages of individual managers. No administrator ought to be called for supporting his or her own salary. In a similar method, levels of compensation ought to be satisfactory to fascinate and hold the directors needs in running the organization effectively, however, organizations ought to abstain from paying more than is expected for this part. An offset of official directors' compensation ought to be organized in order to connect rewards to business and individual employed.

vii. Assessment of Board Performance: There ought to be an official evaluation of the quality of Board in general and commitment of every distinct overseer (plus the Chairman) towards the achievability of the Board.

viii. Management of Hazard: The Board is required to distinguish important danger varieties and strategic execution indicators of the business venture and monitor these parts.

ix. Disclosure of Financial aspect: There ought to be a level of accountability of directors to investors and different stakeholders by managing to the instrumentalists.

x. Shareholders Relations: The Board ought to take care of the genuine interests of the stockholders of the initiation and record them completely.

xi. Audit Committee member: The Board ought to build official and straightforward plans in identifying how the money is utilized which relates to reporting and inward

control rules and for keeping up a suitable association with the institution's reviewers. Despite the complete procurements of the Code, it didn't brand much impression.

2.2.3 2003 to 2011

The 2003 Code of best practice was as a result of a seventeen member committee headed by Mr. Peterside Atedo which is set up by the SEC in co-operation with CAC on June 15th 2000. The members were judiciously nominated to cut across all sectors of the economy. The committee was to identify the deteriorating effects in current corporate control in Nigeria and fashioned out an essential amendment that will improve the problems associated with corporate control in Nigeria. The enrolment of the Committee member was precisely chosen all over divisions of the sectors, comprising individuals from expert frameworks, composed private division and administrative powers. The approval of the commission was strong to distinguish failings in the current corporate control practice in Nigeria and form out important adjustments that will change the corporate governance practices in Nigeria.

In 2008, after the restructuring in the benefits division that offered development for more significant private segment support in pension administration, the National Pension Commission (PENCOM) allotted the Code of Corporate Control for Licensed Pension Operatives (2008 PENCOM Code). The 2008 PENCOM Code sets out standards to monitor pension fund leaders (including shut benefits reserve decision makers) and annuity reserve caretakers on the social associations and methodologies to be connected towards attaining to ideal governance forms. The Code plots least corporate governance necessities, expected to guarantee that governance arrangements are settled in the social orders. It was arranged with an angle to securing general

monetary execution and business honesty by making motivations for benefit plans to impact absolutely on partners with an idea for winning the trust of these partners

2.2.4 2011 to date

As officially renowned, starting 2011 we have four controllers who were contributing in the corporate control framework. They are NIC, CBN, SEC and the National Pension Commission. Each of these allotted a corporate control code. Consequently, since 2009 to date period there are four corporate control codes in power in Nigeria. Of these four corporate governance codes, there were (those allotted by the CBN, NPC and NIC) are business particular. They are relevant to corporations in the area that the relevant concerned Commission has the power. The company control code distributed by the SEC was applicable to every single unrestricted company registered in Nigeria self-governing of the sector in which such companies have a place. Similarly, public corporations were guaranteed by the 2003 SEC Code whether they remained registered on the stock market or not. (Adesina, Olugoke, Oladipupo & Izedonmi, 2013)

Moreover, the forming of the 2011 SEC code started in September 2008 when the National Committee was established by the SEC and headed Mr. Mahmoud M B. the Committee was commanded to "recognize shortcomings in, and limitations to, great corporate governance, and to look at and suggest methods for effecting more prominent agreeability and to exhort on different issues that are pertinent to advancing great corporate governance practices by public companies in Nigeria, and for adjusting the Code to worldwide best practices." In 2009 the council, later an intensive job, presented its report organized with a draft Reviewed Code of Corporate Control to the SEC. After discussions with other governmental bodies, the SEC at its 43rd conference inspected the reviewed code presented by the committee of Mahmoud and acquainted

a few revisions with it. Around the same time, the SEC disclosed a Draft of Reviewed Code of Business Control to the general public through print, media and its site, for more analyses and recommendations from individuals and public, before conclusion. In this way, the SEC Code was discharged in 2011 by the SEC with begin date of 1st April, 1st, 2011. The 2011 SEC Code is obliged to be the base models expected of public companies in Nigeria. The SEC code of 2011 SEC has been declared to be somewhat far success. Interestingly, a couple of months after the fact on the 2011 SEC Code got to be functioning the 2011 Financial Reporting Council of Nigeria Acts was employed by Federal government. The administrative act has sweeping procurements in regards to the execution of corporations in Nigeria.

2.3 Conceptual Framework Corporate Governance and Audit Lag

According to Habib and Bhuiyan (2011), the difference between the end of financial year and the time of reporting audit is known as the firm financial year. Audit delay is the amount of times period taken to compile the accounting records completion of an enterprise and the audit report period (H. Ismail, Mustapha, & Ming, 2012). As significant information mediator, reporting audit which is completely the period concentration of companies with audits responsibility, establishments, supervisory body as well as stakeholders. Austine (2014) states that the annual report of every entity is a vehicle for settling accountability while Dibia (2013) observed that annual report is a supreme and complete manuscript presented to the public and is consequently the foremost disclosure mechanisms. Clatworthy (2010) and Akle (2011) established that the delays in auditing becomes accumulative categorically due to variety of works; declining role of encouragements in producing report on time. It also

involved the problem of increasing responsibility in the level to which the officer in charge of auditing takes to design an audit methodology.

It is also established that the audit lag refers to as the declining role of owners' proprietorship application otherwise the business mechanism (Ika & Ghazali, 2012; McGee & Yuan, 2012). This has developed a worrying circumstance within the thought of shareholders, including the interested party that requires judgement resolution through auditing reports. It is also reported that the delaying nature of auditing the reports is tantamount to expose the shareholders into losing confidence and self-assurance based on reports offered. This also will tend to compound the problems of the agency theory. Many scholars such as Abdelsalam & Street (2007), Alkhatib & Marji (2012) and Dibia (2013) maintained that delay in audit can be resulted through two significant proceedings unwaveringly. These proceedings includes the major interval of reserved period for the client's business records closure and the prepared present unaudited business reports designed for official audit.

Review of related literature revealed that many studies on audit lag or delay has commences for over 35 years. These studies includes the work of scholars as Courtis (1976) and Gilling (1977) in New Zealand; Davies and Whittred (1980) from Australia, Garsombke (1981) in the US and Ashton, Graul and Newton (1989) in Canada, Ashton, Willingham and Elliott (1987) as cited in Alkhatib and Marji (2012) and Ika & Ghazali (2012). These studies examined the association among audit lags and corporate characteristics and they discovered lag and client revenue has positive and this is also true with the complexity of business. However, there is negative relationship with the status of the clients (Azubike, 2014; Chang, Chou, & Huang, 2014; Ika & Ghazali, 2012; Ismail et al., 2010). Audit lag of financial reporting is

usually intellectualised in literature as the time it takes the business to present its financial reports before its stockholders in the annual general meeting after the ultimate date of the enterprise.

The International Accounting Standard Board (IASB) (2008) sees timeliness as making the financial evidence accessible to users on time to impact their judgement. (Ainul et al., 2014). Yacob and Che Ahmed (2012) examine the effect of IFRS complexity on audit delay in Malaysia. It was perceived that the implementation of FRS 138, a standard on intangible assets, postures challenges to auditors to the degree that they call for more time and determinations to audit because of the definition, acknowledgement and measurement. Exhausting two thousand four hundred and forty firms' year explanations. Regression analysis shows an outstanding and encouraging association among the 138 financial reporting standard adoption as the lag of audit. Hence, in IFRS complexity the auditors spend more time auditing. The outcomes show that a distance reports of audit ranges from twenty to three hundred and sixty-four days with regular audit delay of hundred and one day with a difference of twenty days. Conversely, the medium lag is below the minimal prerequisite of Bursa Malaysia in four months.

Timeliness therefore necessitates that information should be made available to the users as speedily as conceivable (Hajiha & Rafiee, 2011). Similarly, the studies like Gilling, (1977) and Abdulla, (1996) have revealed that the limited time frame given to utilising the audit report the better for the company and this also benefit the owners and the employee. This is also true in Nigeria and other part of the globe where the diverse national regulatory authorities have acknowledged the need to set a supreme

time to which financial reports should be presented to the stakeholders. This shows the significance involved to the timeliness of financial reporting.

The Companies and Allied Matter Act (CAMA) 2004 necessitate each company to hold its annual general meeting where the financial statements would be presented beforehand the stakeholders in a period not more than fifteen months after the last annual general meeting (Section 213,214, and 218). This indicates that the period of reporting lag allowed by the Companies and Allied Matter Act in Nigeria is a maximum of six months. This is different with the existing circumstances in Turkey and United State of America. For instance, the Istanbul Stock Exchange (ISE) necessitates audited financial statements of corporations to be published in fourteen weeks after the end of the year of the enterprises (Vuran & Adiloğlu, 2013).

Similarly, in USA, Security Exchange Commission has in fact abridged the filling closing date for financial statement of corporations from ninety (90) days to sixty (60) days so as to increase the effectiveness of market in USA (Azubike, 2014). Ibadin (2012) examined the delay of some selected companies in Russian energy segment and the outcome demonstrates that it took refinery in Russian an average of 146 to report their audit report also took an average of 70 days than non-Russian corporations. Therefore, it takes additional sixty days for Russian enterprises to publish their financial accounts than individual non-Russian corporations. This was partially due to the non-desirability of Russian stock in the Global market.

In addition, (Ibadin, 2012) discovered the behaviour of 80 corporations quoted in Egyptian stock market for the period of 1998 to 2007 relating to timeliness in reporting. The outcome of the research revealed that average reporting lag period in financial statements was worsening in 1998 as 132 and 72 days in 2007. Decreases in

report lag is 80 to 63 days in 1998 and 2007 respectively. Also non-financial company's perceived 154 to 79 days in 2007. It shows that the development in corporations' assurance to release a transparent principle as part of business's governance, ethics in terms of timely audit reports.

On the contrary, Ismail et al. (2012) examined the determinants of audit lag in 636 selected companies quoted in Malaysian stock market before the modification of corporate governance code. In his findings, he observed that only 2.3% of the sampled companies experienced lag in financial disclosure. Hashim and Abdul Raman (2011) considered audit report performance between 288 registered businesses in Bursa Malaysia for the period of 3 years 2007 to 2009 and the outcomes indicates that report lag stretched, between 36 to 184 days for a three years period. It takes an average of 103 days for corporations to complete the audited reports. The outcomes confirmed that number of days which corporation's takes to compile the audited yearly reports for 2007 to 2009 shortened by 48 days.

Likewise, Yacob and Che-Ahmed (2012), examined the delay of some selected companies and delay behaviours in Malaysia. They observed in their research that audit lag stretch ranged starting from twenty to three hundred and sixty four days in addition an average of one hundred and one audit delay days through standard deviation of twenty five days then the means lag was establish lower than the minimum Bursa Malaysia prerequisite of four months.

Oladipupo & Izedomi (2013) studied and examined the delay of some selected forty five establishments in Nigerian quoted companies in 2007. The outcome of the findings indicates that it took one hundred and forty one days on average for the

presentation of the annual report also the earliest audit period of thirty one after the balance sheet date.

Moreover, Dibia (2013) examined the delay of some selected companies in Nigeria. From the forty companies selected from the stock exchange, he observed that the number of days of lag ranged from sixteen to two hundred and eighty four days also an average of four months for the businesses to get the yearly reports and financial statement audited at the end of financial year besides data for three year was used for the period of 2009 and 2011.

Azubike (2014) perceived that range of audit lag was thirty to one hundred and seventy six days. From above mentioned point, it indicates that most prior researchers has measured audit delay concepts or mechanisms for some period. There is no study to the best of my acquaintance that has considered coverage of audit firms as one of the elements of audit lag or delay. Consequently, this research attempt to scrutinize corporate governance and audit lag on to quoted corporations in Nigeria for a period of 2012 and 2013.

Lagged audit is ordinarily well-defined in this study as interval of days from business financial year end date of the audit report. This study measured audit lag as the period between companies, accounting year end of the date the auditor's report is published. Therefore the primary problem of this research work is, why are we haven delays in audit report? (Dabor & Adeyemi, 2009).

Ibadin (2012) McGee & Yuan (2012) they observed the consequence of corporate governance on the audit report lag. They maintained that board characteristics are significant determining factor for the timeliness of a firm's annual report. The study establish that there is no significant association among board size and timely annual

reports but establish a positive significant relationship amongst a board with eventual proprietors and a board with autonomous directors and the reporting lag. Moreover, they initiate that other firm features and technological variations are also related to the reporting lag.

Che-Ahmad and Abidin (2008) empirically spread out preceding research by investigating the contributing factor of audit delay in Malaysia public listed companies. The multivariate exploration indicated that director share holdings, total companies assets, number of all subsidiaries, type of firms that audit the accounts, auditor's opinion and return on equity to be significant contributing factor that significance ownership structure in manipulating audit delay in this segment.

Ezat (2009) scrutinized the fundamental factors that distress the timeliness of corporate internet reporting by the listed Egyptian corporations in the Egyptian Exchange. It was observed that they used firm characteristics and corporate governance variables to examine the effect on the timeliness of corporate internet reporting. Similarly, a disclosure index was established to measure the timeliness of corporate internet reporting for the listed Egyptian corporations. The study establish a significant relationship amongst the timeliness of corporate reporting and ownership arrangement, board configuration and board size. The outcomes show that firms with high percentage of independent directors, large number of board directors and extraordinary free lift disclose more timely report.

Afify (2009) observed the influence of corporate mechanisms on audit report lag in Egypt. He established that the Audit report lag for each of the 85 listed sample corporations reached a minimum interlude of 19 days and a maximum intermission of 115. The Egyptian listed companies take roughly two months on normal. A regression analysis conceded out shown that board independence, duality of CEO, and existence

of an audit committee significantly affect audit report lag. Nevertheless, in the other hand, ownership absorption has insignificant consequence on audit report lag.

Aman (2013), in a study on the impact of ownership structure on the appropriateness of financial recording using developing country data, examining the results of the impact of numerous practises of enterprise ownership that is ownership concentration, institutional ownership and foreign ownership on the timeliness of release of financial report statement of a sample of 198 Malaysian listed corporations for the of 2007 business year. By means of multivariate analysis, they establish that ownership concentration, institutional ownership and foreign ownership have some impact on audit lag, and hence, the timeliness announcement of financial account evidence to the general public.

Hashim and Rahman (2010) observed the connotation among corporate governance instruments and audit delay between 288 companies quoted at Bursa Malaysia for a period vacillating from 2007-2009. Three characteristics of the board of directors such as board individuality, board persistence and board proficiency were used to scrutinize their efficiency in guaranteeing timeliness of the audit report. The outcome of the research discovered that there was no significant association amongst board persistence, board independence and expertise of the board and audit lag.

Ibadin (2012) empirically studied the associations among the characteristics of audit committee and the timeliness of audit reporting. The audit committee characteristics that were observed are size, expertise, independence and the regularity of meeting. The indications point out that firms with more members of the audit committee and more recurrent audit committee meetings are more likely to produce audit reports in an appropriate way. Two audit committee features, namely audit committee size, audit committee meetings and audit committee expertise, have a significant negative

relationship with audit report lag. Though audit committee competencies' and independence was projected to have a negative relationship with audit lag, none of the variables established to be statistically significant.

Ibadin (2012) examines the association stuck between the board of directors, audit committee and auditor characteristics, and the timeliness of financial reporting in listed corporations in Indonesia. The homework used a panel data analysis of 218 companies listed on the Indonesian stock market from 2006 – 2008. They establish that several board characteristics disturb the timeliness of financial reporting specifically board sizes, directorship multiple board, board shareholding and length of service are significantly related to management report lag.

Akle (2011) supported a study on the connection between the timeliness of corporate governance and corporate financial reporting for companies listed on the Egyptian stock exchanges commencing 1998 – 2007. They examined the starring role of corporate governance level of appropriateness of corporate financial reporting and also the association between industry type, electronic disclosure, company size, audit opinion, gearing, earnings quality, leverage, earnings management, and the appropriateness of corporate financial report. They establish that Egyptian publicly quoted companies have stayed less timely in their annual financial reporting subsequently the application of the corporate governance ideologies.

Hashim and Rahman (2011) studied the relationship between audit committee characteristics and audit report lag among 288 companies listed on Bursa Malaysia for a three year period from 2007 to 2009. The characteristics of audit committee examined are audit committee independence, audit committee diligence and audit committee expertise. The results of their study show that audit report lag for the listed companies in Malaysia ranges from 36 days to 184 days for the three year period and

that audit committee independence and audit committee expertise could assist in reducing audit report lag among companies in Malaysia. However, the study could not provide any evidence on the link between audit committee diligences on audit report lag.

2.4 The Relationship between Dependent and Independent Variables

2.4.1 CEO duality and audit lag

Duality is when a single individual function as the CEO and the same time served as chairman of the board of directors, making combined leadership arrangement. According to agency theory, the collective duties can meaningfully damage the board's disciplining, checking and recompensing of senior managers (Molz, 1988 and Jensen, 1993). Likewise, it helps the CEO to participate in unprincipled ways, for the movement of his/her supremacy over the board. Those who hold together the two positions are more associated with management than the investors and in the future tend to suppress unfavourable information for stakeholders. Forker (1992) emphasizes that a prevailing behaviour in both CEO and chairman postures a danger to check-in and it is disadvantageous to release of vital information related to the affairs of the company.

Earlier pragmatic studies on the association of CEO and chair compromise some evidence that establishments with dualism discloses lesser amount of information. This is set up in the United Kingdom (Forker, 1992), United States (Abbott et al, 2000), Hong Kong (Gul and Leung, 2004), France (Lakhal, 2005) China (Xiao and Yuan, 2007). Nevertheless, Ho and Wong (2001) and Al-Samaria and Al Sultan (2010) found no relationship in Hong Kong as cited in (Zanani, Abdullah, Shahnaz, and Nurasyikin, 2008). Thus, in order to preclude unwarranted concentration of ability in the influence

of one person on the board, 2003 SEC code of corporate governance acclaims that different person be compelled to hold the position of chairman and CEO, and in the occurrence that is unavoidable a strong non-executive independent director should be vice president.

Likewise, when the CEO serves the double position of chair of the boards (CEO duality exists), this indicates the judgement of decision making power and will also obstruct board independence, which will lessen the capability of the mechanism of the board to convey its oversight functions. Jensen (1993) supported the segregation of the bureaus of the CEO and the chair to avoid conflicts of interests. Corporate Governance Code of Malaysia (2001, 2007) indorses corporations to distinct the dual positions of CEO and chairperson to ensure appropriate checks and sense of balance on the top executive management. A number of studies suggest that non-CEO duality contributes to the timeliness and disclosure of financial reporting quality. These include Forker (1992), Ho and Wong (2001), Gul and Leung (2004), Abdelsalam and Street (2007), Cerbioni and Parbonetti (2007), Huafang and Jinguo (2007) and Sarkar, Sarkar and Sen (2008) as cited by Abd-Elsalam and El-Masry, (2008). However, on that point are also studies in Singapore and the US such as Cheng and Courtenay (2006) and Petra (2007), respectively, which do not find that CEO duality impairs accounting quality. Al-Arussi, Selamat and Mohd-Hanefah (2009) document how CEO duality adversely distresses the internet financial disclosures made by Malaysian companies

2.4.2 Board size and audit lag

One of the weaknesses connected with an extensive board is a correspondence/ coordination issue, which makes a substantial board a less effective screen than a little board (Dimitropoulos & Asteriou, 2010). The directors' free-rider issue is likewise

more extreme in a huge board than a little board (Jensen, 1993). Mak and Li (2001) and Dalton, Daily, Johnson and Ellstrand (1999) contend that a vast board makes less investment, is less sorted out, and is less ready to achieve an assignation. Beasley (1996) demonstrates that an increment in board size is identified with a higher occurrence of extortion cases. Vafeas (2000) archives firms with fewer boards show a more prominent profit in development, i.e. their reported income request a stronger financial specialist reaction, as reflected by stock returns. Xie et, al. (2003) likewise contend that a littler board may be less hampered with bureaucratic issues, more practical and more ready to give better budgetary reporting oversight. As opposed to their desire, their confirmation recommends that profit administration is more common among littler boards. In Malaysia, past studies have yielded blended results on the impact of board size and the nature of budgetary reporting. Abdul-Rahman and Mohamed-Ali (2006) demonstrate that board size and profit administration are emphatically related. Then, Bradbury, Mak and Tan (2006) locate the inverse. The above clashing confirmation blocks a directional expectation on the impact of board size.

2.4.3 Audit committee expertise and audit lag

The 2011 SEC Code is considerably consistent with global best practice on console boards. It accommodates the foundation of the audit panel and danger administration advisory group. Be that as it may, the obligations of the assignment council and compensation board of trustees are vested in the governance/compensation panel built under area 11 of the 2011 SEC Code. In the perspective of the expanding obligations relegated to the selection and compensation boards of trustees by contemporary corporate governance codes, including the 2011 SEC Code, the combination of the

typical obligations of a designated board and those of the compensation advisory group in a solitary board council may be smothering SEC Fact book (2012).

Audit committees are accountable for various obligations that necessitate an extraordinary grade of accounting complication such as appreciating auditing difficulties and threats and the review techniques anticipated to address them, understanding audit decisions and appreciates the element of divergence between the management and the peripheral auditor by evaluating critical accounting parts. (Ramanan, 2015) categorize audit committee associates as financial specialists that has historical service knowledge in accounting or finance, mandatory qualified authorization in accounting, or any additional financial oversight understanding or backgrounds that will consequently reduce the financial report complexity. The Aforementioned study illustrates that Company financial reporting is a process by which organization attains their stead warship accountability by concocting and reproducing audited annual information and accounts. The timeliness of the availability of audited annual reports and justification are one of the important qualitative features anticipated of any good financial evidence. Timeliness of accounting evidence are about the obtainability of accounting information as soon as it is needed and how current once it is established and used. Numerous studies on the appropriateness of accounting information studied factors initiating delay in company financial reporting. Furthermost of these studies focussed on audit lag thereby philanthropic impression that the delay in business financial recording is instigated by the auditors.

Adesina Olugoke Oladipupo and Izedonmi (2013) hypothesize that delay in company financial reporting is unavoidable and delay is not only instigated by the auditors but also that management is partially responsible. Management has a lot of preference to implementation in company financial reporting progression. No external audit application will inaugurate pending the management makes a draft duplicate of annual report and financial records ready. In the same way, the management has part to play in simplifying the commencing and hurrying progress of audit implementation. Even afterward, at the end of appraisal exercise and the audit bang is made obtainable, it take management obligation to institute an annual general meeting in which the audited yearly report and accounts can be accessible to the shareholders. Even in the staple of filing of duplicates of audited yearly report and financial records with various supervisory bodies like security and exchange commission and appropriate tax authorities, corporate affairs commission, supervision has a lot of preference to exercise, the magnitude of rules and regulations not surviving the deceitful financial reporting corporations have few members that have proficiency in accounting (McMullen & Raghunandan, 1996; Beasley, Carcello & Hermanson, 1999). DeZoort and Salterio (2001) demonstrate that audit committee members with preceding knowledge and understanding in financial recording and audit are more possible to make expert decisions than those without expertise. Xie et al. (2003), Abbott et al. (2004) and Bédard et al. (2004) shows that audit committee financial proficiency reduces financial reaffirmations or constrains the predisposition of managers to engross in earnings management.

DeFond, Hann and Hu (2005) document that employing of accounting financial experts produces optimistic stock market response in line with market expectancy that the audit committee associates' financial complexity is useful in implementing their

part as financial monitors. Krishnan (2005) and Zhang, Zhou and Zhou (2007) discovered that companies are more likely to be recognized with insufficiencies in internal control above financial recording if their audit committees have not as much of financial expertise. Entirely, these studies propose that financially knowledgeable audit committee members are more likely to prevent and detect material misstatements.

2.4.4 Audit opinion and audit lag

Every audit must end with an audit opinion. If an enterprise received a standard unqualified opinion they will release information in time, but, if it is qualified opinion they will intend to delay the bad news. Prior research by Whittred (1980), Carslaw and Kaplan (1991) and Owusu, Ansah and Leventies (2006), have examined the association between the audit opinion and reporting lag as cited by (Habib & Bhuiyan, 2011) They discovered that corporations which have an audit opinion extra than a standard unqualified opinion, are more possible to have a higher reporting lag. A clarification is given by Whittred (1980), asserting that the professional auditing 23 standards entail that all conceivable and judicious steps to produce an unqualified opinion are reserved by the auditors, before they can issue a qualified opinion. Additionally, auditors are not also very happy to give qualified opinions, so it is anticipated that it intensify their efforts to resolve any form of irregularities and indiscretion. Logically, the management of an establishment does not want to have a qualified audit report as per affairs of their organization, so they are likely to discuss with the auditor if any forms of irregularities occurs in the company. This is also observed and maintained by Yim (2011) who indicated that if an auditor perceives a red flag it will answer and implement more controls. Entirely this will lead to more

audit lag, so the expectancy is that a standard unqualified opinion will have a negative effect on audit lag.

2.4.5 Location and audit lag

Location in this research work is the geographical area or site where the head office of the auditor is located and also the geographical location of the clients head office. Same location will make the audit work easy, but separate location or different geographical area can cause audit lag or delay. My expectation is that companies with a significant number of distances from the auditors head office to the clients head office will have longer audit lag for the reason that the complexities needed in auditing such companies is high and time consuming. The use of distance as a principal of auditors head office and a company's head office in the same geographical location as a proxy for complexity and diversification in audit lag and a positive association between the two is expected (Ng & Tai, 1994).

2.4.6 Firm Size and Audit Lag

Studies on firm size and audit report lag includes Ng and Tai (1994); Givolry and Palman (1982); Dyer and Mchough (1975); Courtis (1976); Garsombke (1981) as cited by Hanlon, Hoopes, & Shroff (2014) positioned onward that the bigger audit firms are projected to complete their audits work more speedily than small firms for the reason that they may have more properties and human resources in relations to expertise, experience and staff in auditing listed establishments. This is maintained by Carslaw and Kaplan (1991) when they theorised that the larger firms to complete the audit of their financial records earlier than smaller firms. Dyer and Krishnan (2011) in Australia establish that company size measured by means of total assets was a

significant determining factor of audit lag. Sminettetal (1995) outcomes propose that company size is not significantly related with audit delay. Tauringana et al. (2005) in Zimbabwe establish no significant relationship amongst the company size audit report lag. Using multivariate tests, Ashton et al. (1987) discovered that company size, is a significant contributing factor of audit report lag in their 488 U.S listed companies. Garsombke (1981) discovered that audit delays are contrariwise related to total assets; Courtis (1976) also observed that financial firms have a lesser amount of delay than other companies".

2.4.7 Leverage and audit lag

Leverage is also denoted to as gearing. It is where a connection subsists between a firm's assets and liabilities; that is the total amount of debts used to invest in the company's assets. Leverage is also used to quantify companies' ability to reimburse its financial responsibilities as they mature. Firms with bigger debts than equity are considered as extremely leveraged and require longer appraising time and anticipate high standard auditing service area through the appointment of excellent auditing firms, then experience advanced agency and monitoring costs. Subsequently, managers of extremely leveraged firms are persuaded to lessening these charges by disclosing more information in their annual reports (Jensen and Meckling (1976); Al-Akra, et al. (2010). According to Al-Ghanem and Hegazy (2011); Al-Ajmi (2008); Conover et al. (2008); Che-Ahmad and Abidin (2008); Owusu-Ansah, (2000); Carslaw and Kaplan (1992) such firms are likely to delay the announcement of their audited annual reports.

2.4.8 The Auditor type and Audit Lag

The audit type, category has been used by some scholars as an illuminating variable for audit lag. Certain scholars definitely beliefs that the big four KPMG, Ersnt &Young, PWC, Akintola Williams and Delliotte have superior contact to developed technologies and professional staff members when linked to non-big audit companies. Metamorphoses in a well-planned review techniques and machineries can lead to variations in audit lags among the two groups of audit companies (Schwartz and Soo 1996). Carslaw and Kaplan (1991) and Davis and Whittred (1980) cited in Kelton & Yang, (2008) they established that no substantial relationship between the audit firm type and audit lag. Moreover, Lawrence and Glover, (1998), hypothesize that the bigger audit companies have a stronger enticement to polish their review work more speedily to enable them preserve their reputations. If not the firms may be defeated from been re-election as the auditor of their client businesses in the subsequent year(s). As the superior and bigger are well known audit firms take more human capitals than smaller firms. Gilling (1977) maintains that audit delay for corporations with international companies is estimated to be less than those audits from other audit companies, for the reasons that they are larger firms and might be able to audit the accounts effectively, efficiently with a better flexibility in programming to complete audit work in time. Newton and Ashton (1989) observe audit lag between Canadian Big-Eight companies and they discover that unorganized audit methodologies lead to more audit lag than companies using formless audit expertise.

2.4.9 Profitability and audit lag

Profitability is monetary ratio that is scaled as a valuation technique edict to assess the competency of a business to produce earnings. It is described that the auditing

procedure for profitable corporations have a tendency to ingest longer period interval than businesses making losses. This is due to the circumstance that the businesses that are making earnings have a tendency to profit from the gesticulating effect of a trustworthy and the excellence of the big name audit firm (Anderson et al., 2004)). They also consul from the agency theory that conserves that profitable enterprises release more information earlier to demonstrate the management's good performance and to back up their compensation, management and improve investors' confidence (Inchausti, 1997), (Al-Akra, et al., 2010). In addition, corporations suffering from losses aim at rearranging their auditing date to dodge financial report in the market that ultimately does not work for the fascinated parties such as the stakeholders and other users as stated in Shukeri and Nelson (2011); Khasharmeh and Aljifri, (2010); Che-Ahmad and Abidin (2008); Al-Ajmi (2008); Naser et al. (2007); Ismail and Chandler (2004); Joshi and Al-Bastaki (2000); Ashton et al. (1989) and Givoly & Palmon (1982).

2.5 Underpinning Theory

2.5.1 Agency Theory

The agency theory manages the contractual relationship between the operators (manager) and the chief (shareholders) under which shareholders delegate obligations to the manager to maintain their business. This theory contends that when both sides are relied upon to amplify their utility, there is justifiable reason motivation to accept that the operators may take part in pioneering conduct to the detriment of the main's advantage. Jensen and Mackling (1976) demonstrated this condition as an agency relationship where the power of the primary to straightforwardly watch the operators'

action could prompt good risk, subsequently expanding agency cost. Also, agency theory brings up the part of the board of directors to screen both the lion's share shareholders and administration; and to ensure minority shareholders' intrigues (Fama & Jensen, 1983).

How does the audit report slack or opportuneness fall inside the connection of the agency theory? This inquiry is addressed when we consider unmistakably the commitments of Jensen and Meckling (1976). As per Jensen & Meckling (1976), a segment of the agency expenses is spoken to by the observing expenses upheld by shareholders for the checking of the manager's actions. Since it is not adequate to distribute money related explanations unless a guaranteed public bookkeeper (outside auditor) first audits them, the outer audit exertion is an essential segment of these expenses, the length of auditors needs to verify that managers act as indicated by the shareholders' advantage, while additionally auditors have the obliged errand to investigate the records of the organization. It might henceforth be assumed that auditors will invest more energy examining the managers' activity and thusly build the audit report slack if the agency issues are enormous.

2.6 Summary of the Chapter

This chapter emphases predominantly on earlier studies that has examined audit lag and the pragmatic studies provide evidence on features impelling audit lag such as corporate governance and audit lag, CEO duality, board size, audit committee expertise auditor's opinion, the location of the companies, and auditor type other control variables like firm size, leverage and profitability.

CHAPTER THREE

RESEARCH FRAMEWORK AND METHOLODOGY

3.0 Introduction

This part will review the research design adopted by the researcher in the process of conducting the research work. It covers items as population of interest, hypothesis development, target population, sampling frame, sampling method, sampling design, units of analysis, as well as justification of using the method and techniques.

3.1 Theoretical Framework

The framework shown in Figure 3.2.1 below explicates the relationship between the independent variables and dependent variable based on the explanations in chapter two above. This research work proposes that the corporate governance mechanism, for example CEO duality, board size with audit committee expertise effects on audit report lag and all variables for the expansion of hypothesis are discussed in the subsequent section.

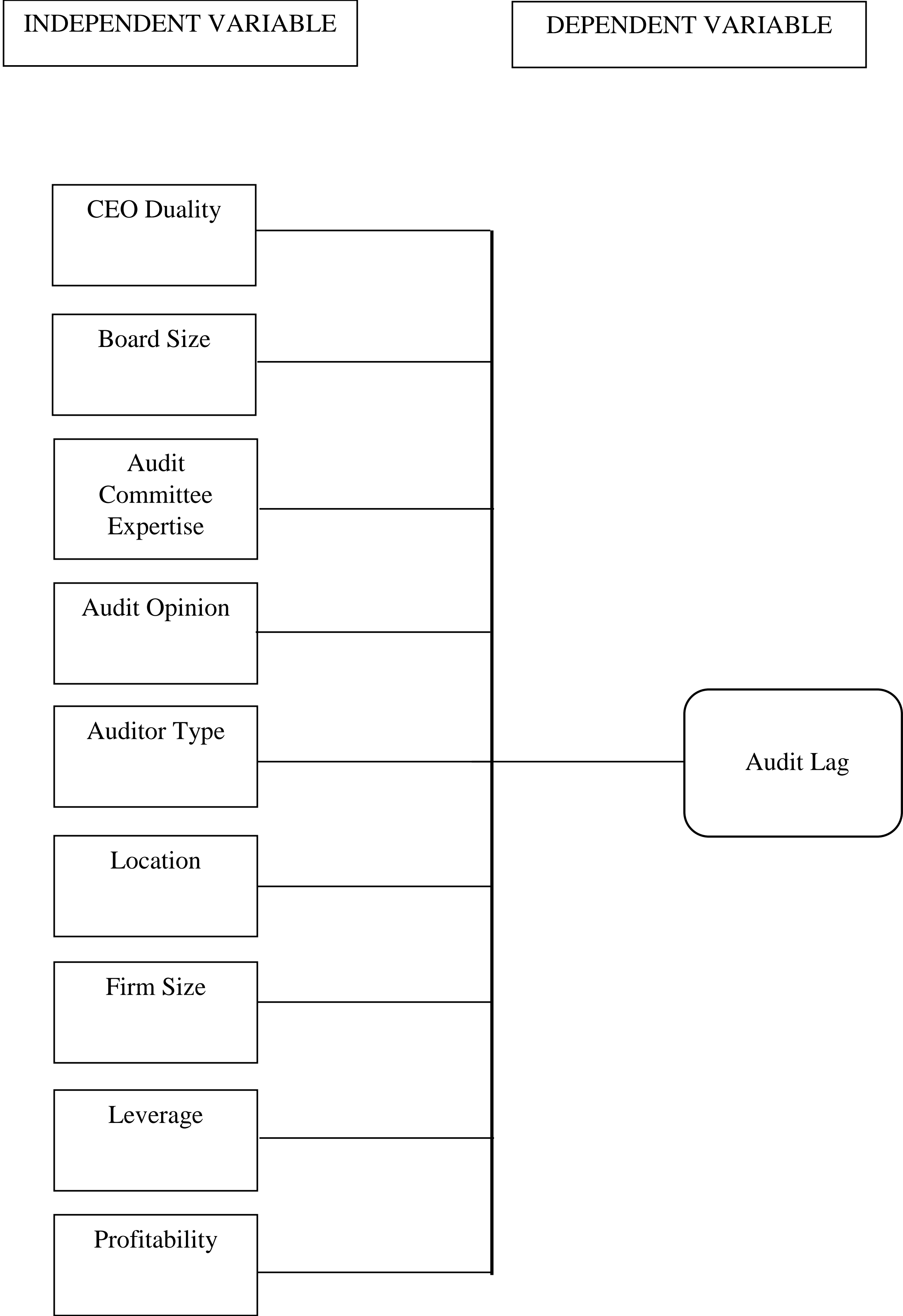

Figure 3.2.1 Research framework

3.2 Hypothesis Development

A hypothesis is a report of the association or correlation between two or more variables, which are constantly in the form of sentences that functions as a director for examination in the entire procedure of research work. All the hypothesis were developed to examine whether all the independent variables will give an impact on the dependent variables. Contemporary evidence shows that the fundamental problem of audit lag is not properly scrutinized (Zanani, Abdullah, Shahnaz, & Nurasyikin, 2008). Therefore incorporating such variable in examining the impact of all independent variables on audit lag deserved to be studied. Therefore, the following hypothesis are developed to analyse all the variables in this research work.

3.2.1 CEO Duality

Duality is when a single person function as CEO of similar period, chairman of (BOD), and making combined leadership arrangement. Agreeing with agency theory, the collective functions as CEO also chair can meaningfully damage the board disciplining, checking with recompensing of senior managers (Rahman et al., 2010; Tran, 2014) The situation likewise helps CEO's with duality to participate in unprincipled ways, in the control of his/her programme over the board. Those who hold the two position together are more associated with management than with investors which in the future have a tendency to suppress inauspicious information from stakeholders. Zanani et al., (2008) emphasizes that if a person that is unprincipled functioned as both CEO and chairman poses a danger to the industry. He may not release vital information to the shareholders and users of audit reports.

Earlier observed studies on the issue of CEO duality link, compromise some indication shows that establishments with dualism disclose a lesser amount of information. This is set up in the “United Kingdom (Forker, 1992), United States (Abbott et al, 2000), Hong Kong (Gul and Leung, 2004), France (Lakhal, 2005) China (Xiao and Yuan, 2007)”as cited in (Banimahd et al., 2012). Nevertheless, Ho and Wong (2001) and Al-Samaria and Al Sultan (2010) found no relationship in Hong Kong. Thus, in order to preclude unwarranted concentration of ability in the influence of one person on the board, 2003 SEC code of corporate governance acclaims that different person be compelled to hold the position of chairman and CEO, and in the occurrence that is unavoidable a strong non-executive independent director should be vice president. Duality exist when a single person served as CEO also chairman and it indicated that there will be concentration of power in terms of decision making which can frustrate the independent of board (Chen et al., 2006). In another development Cao, Myers and Omer (2012) they observed that duality lessen the quality and oversight functions of the management. The study of Salin et al. (2011) in Singapore revelled that CEO duality did not impairs reporting quality. Zanani et al. (2008) observed that CEO duality is not related to earning management. It is expected that separation of CEO with chairman will increase quality of financial report and reduce lag in audit. Chen et al. (2006) observed that the combination of the pole of CEO and chairman are connected with incidents of fraud and lag. The researcher therefore speculate and hypothesis that:

H1: There is a significant association between audit lag and CEO duality

3.2.2 Board Size

Shortcomings connected with a large board is communication and organizational problems that makes a large board less effective in terms of monitoring than smaller boards (Klai & Omri, 2011). The managers' free stipulation problematic behaviour is more centred in larger board than small board Mansor, Che-Ahmad, Ahmad-Zaluki and Osman, (2013). Azubike (2014) examine board size and audit lag and fund that there is significant relationship between audits lag and board size. Chalaki et al. (2012) in the study audit firm specialization, the result shows that there is no relationship between financial reporting delay and board size. According to Abdelsalam and Street (2007), they perceived that the board with less member and experience in terms of age will produce timely report and they fund that board size is negatively connected with timely financial report. The above contradictory indication disqualifies directional expectation that board size can influence audit lag and therefore, it is speculated:

H2: There is a significant association between audit lag with board size

3.2.3 Audit Committee Financial Expertise

According to Omar and Bakar (2012) audit committee expertise reduce the incident of fraud and audit lag caused by unexperienced audit committee, they fund a positive relationship between audit committee expertise and delay of report. Audit committees are accountable for various obligations that necessitate an extraordinary grade of accounting complications such as appreciating auditing difficulties and threats and the review techniques anticipated to address them (Cao et al. 2012). He conceives that there is no relationship between audit committee expertise and audit lag. Audit committee expertise understanding audit decisions and appreciates the element of divergence between the management and the peripheral auditor by evaluating critical

accounting parts. Also Ramanan (2015) analysed that audit committee associates are financial specialists that has historical service knowledge in accounting or finance, mandatory qualified authorization in accounting, or any additional financial oversight understanding or backgrounds that will consequently reduce the financial report complexity. Above-mentioned studies illustrate that company with audit committee expertise will produce timely audit reports. There for the researcher hypothesized that;

H3: There is a positive association between audit lag and audit committee expertise

3.2.4 Auditor Type

Audit companies category has be situated by various scholars as a descriptive variable designed for reviewed report lag or delay Habib and Bhuiyan (2011) and they projected that the big4 companies are expected to complete audit earlier than the nonbig4 colleagues. Some scholars such as Austine, (2014); Banimahd et al., (2012); Abdelrazik, & Deve, (2013); Dechow et al., (2010); Hassan & Bello, (2013); Ika & Ghazali, (2012); Krishnan, (2011); Ramezanpour & Haghdoost, (2013); Shrives & Brennan, (2014) they ascertain that the great four firms such as "KPMG, Ersnt &Young, PWC, Akintola Williams and Delliotte" have superior admittance to developed equipment also professional staff's once associated with non-big four audit companies. Also, Hajiha and Rafiee (2011) observed and suggest that bigger audit companies have a durable motivation to complete the audit assignment extra rapidly in imperative to keep their popularity and repute. Or else, lose re-election or reappointment as auditor of the establishments in the subsequent year. The result of their findings showed important relationship among auditor type and audit report lag or time lag. In view of the above, the researcher hypothesized that

H4: There is a positive association between audit lag and auditor type

3.2.5 Audit opinion

Every audit must end with an audit opinion. If an enterprise received a normal unqualified opinion it is allocated 1, and otherwise a 0. Prior research by Whittred (1980), Carslaw and Kaplan (1991) and Owusu, Ansah and Leventies (2006), they observed the relationship between the audited opinion and report lag as cited by Habib & Bhuiyan (2011) they discovered that corporations which have an audit opinion extra than a standard unqualified opinion, are more possible to have a higher reporting lag. A clarification is given by Whittred (1980), asserting that the professional auditing 23 standards entail that all conceivable and judicious steps to produce an unqualified opinion are reserved by the auditors, before they can issue a qualified opinion. Additionally, auditors are not also very happy to give qualified opinions, so it is anticipated that it intensify their effort to resolve any form of irregularities and indiscretion. Logically, the management of an establishments does not want to have a qualified audit report as per affairs of their organization, so they are likely to discuss with the auditor if any forms of irregularities occurs in the company. This is also observed and maintained by Yim (2011) who indicated that if an auditor perceives a red flag it will answer and implement more controls. Entirely this will lead to more audit lag, so the expectancy is that a standard unqualified opinion will negatively affect audit lag. In respect of these, the hypothesis was thus supported

H5: There is an association between audit lag and audit opinions

3.2.6 Location

Location in this research work is the geographical area or site where the head office of the auditor is located and also the geographical location of the clients head office. Same location will make the audit work easy but separate location or different geographical area can cause audit lag or delay Hanlon et al. (2014). The study expect that companies with a wide distance from the auditors head office to the clients head office will have longer audit lag. This is based on the reason that the complexities needed in auditing such companies is high and time consumption Banimahd et al. (2012) The use of distance as a principal of auditors head office and a company's head office in same geographical location as alternative for location in audit lag and a positive relationship between the two is expected. Dinapoli (2007) observed that there is a positive relationship between location and audit lag. Therefore, the following hypothesis is formulated

H6: There is a relationship between location and audit lag

3.2.7 Firm Size

Firm size will be measured as the natural log of total assets. According to Tran (2014) he observed there is negative association between audit lag and firm size. Abd-Elsalam and El-Masry (2008) projected that large firms are able to apply more force on auditors for timely reporting in calculation and large firms possessed effective internal control system which auditors can depend on, consequently decreasing the quantity of audit assignment required at year-end systematically it will reduce lag of report in view of this he said no significant relationship between audit delay and firm size. In the study of Ibadin, (2012) he observed that there is an association between timeliness of audit

report and firm size. Banimahd et al., (2012) documented that firm size has no significant association with audit lag.

3.2.8 Leverage and Audit Lag

Leverage is likewise denotes to as gearing. This is connection that present firm's assets with liabilities; the total debt expenditures on investment of the firm assets (Chang et al., 2014). Leverage is similarly used for quantify companies' capability to reimburse financial responsibilities it matured Danis, Rettl, and Whited (2014). They also recognized that leverage is negatively associated statistically with companies' profitability and delay in audit. Companies with bigger amount outstanding than equity are considered extremely "leveraged" and need elongated appraising time also anticipate extraordinary standard audit service Akle (2011). He explored that there is a significant relationship between audit lag and firm leverage. Subsequently, directors of extremely "leveraged" organizations are persuaded to lessening their charges by releasing more evidence in their yearly reports (Akle, 2011; Fagbemi and Uadiale, 2011; Robert and Bushmana, 2001). Tran (2014) observed that bigger companies have a tendency to require more leverage because they are more translucent with lesser assets impulsiveness and superior contact to public debts markets. Such companies are expected to delay pronouncement of their audited yearly statements and leverage is negatively correlated with audit lag.

3.2.9 Profitability

Normally, directors always anticipate also would be extraordinarily eager to announce good or virtuous news quickly than announcing bad news for the reason associated with consequence of such news that might partake on the share price and other

activities Danis et al., (2014) they also observed that profitability is positively correlated with audit lag but sometimes negative. However, it was observed that common law countries companies have the habit that haste the acknowledgement of good news and slow down the recognition of unscrupulous or bad news in reporting earnings (Tang, Chen, & Lin, 2012). Also, Sun (2014) observed that in code law nations, companies have the habit of slowing the acknowledgement and appreciation of good news and haste the acknowledgement of bad news.

Broadly speaking, previous studies like(Hajiha & Rafiee, 2011; Haw, 2000; Kurawa & Kabara, 2014; Lee & Jahng, 2008; Puspitaningrum & Atmini, 2012; Rahman et al., 2010) they observed and also anticipated that enterprises will be extraordinarily eager or enthusiastic to release 'profits' without delay also will be unwilling emancipating 'losses'. Conclusively, good news (net income) shall decrease audit lag. Stranded in previous surveys, it demonstrates negative relationship between profitability and timeliness of audit report.

3.3 Units of Analysis

The unit of analysis for this research work was organization, also the facts used in the work was derived from the annual accounts and reports of the registered corporations that are listed on the floor of Nigerian stock market. In addition analysis will come from there.

3.4 Model Specification

The audit lag model recycled in the research work is modified from previous researches to correlate governance variables for example, (Abdelsalam & Street, 2007; Austine, 2014; Dabor & Adeyemi, 2009; Habib & Bhuiyan, 2011; A. S. Kelton &

Yang, 2008; Klai & Omri, 2011; Lo, Wong, & Firth, 2010; Marra & Mazzola, 2014; McGee & Yuan, 2012; Ramezanpour & Haghdoost, 2013)The audit lag model is specified below;

$$AUDLAG = \beta 0 + \beta 1CEODUAL_{it} + \beta 2BSIZE_{it} + \beta 3ACEXP_{it} + \beta 4AUDIOPN_{it} + \beta 5LOCN_{it} + \beta 6FSIZE_{it} + \beta 7LEVG_{it} + \beta 8AUDTYP_{it} + \beta 9PROFT_{it} + \varepsilon_{it}$$

Where

AUDLAG = Natural logarithm of the Numbers of days from fiscal year end to audit report date or difference between accounting year end and when the financial report is published

CEODUAL = If there is duality of position of chairman and CEO = 1, otherwise = 0

BSIZE = Natural logarithm the number of board members.

ACEXP = If any member in audit committee is professional or experienced public accountant = 1, otherwise = 0

AUDIOPN= If audit opinion is unqualified = 1 and qualified = 0

LOCN = Distance from auditor Head Office to the client Head Office same locality = 1 otherwise = 0

FSIZE = Natural logarithm of total assets

LEVG = Total assets to total liabilities

AUDITYP = If the company is audited by Ernst and Young. Pricewaterhouse, KPMC or Deloitte (Big 4) =1 otherwise = 0

PROFT = Proportion of income after tax to shareholders equity, and;

$\varepsilon_{it} =$ Error T

Measurements of above mentioned variables are described and viewed below

Table 3.2.1

Variable measurement

S/N	Variable	Explanation	Type	Measurements	Anticipation
1	Audit Lag	Delay in audit report	DV	Natural logarithm of the Numbers of days from fiscal year end to audit report date	Positive
2	CEO duality	Combining two key positions of CEO/Chairman	IV	If one person combined position of chairman and CEO = 1, otherwise = 0	Positive
3	Board size	Number of board members	IV	The total number of board members	Positive
4	Audit com expertise	Committee professionalism	IV	If a member is an experienced/public accountant = 1, otherwise = 0	Positive
5	Auditors opinion	Qualified and Unqualified report	IV	Qualified 0pinion =0 Unqualified report =1	Positive
6	Location	Audit firm H/O to client H/office	IV	Distance from auditor Head Office to the client Head Office same locality = 1 otherwise = 0	Positive
7	Firm size	Over-all assets	CV	Natural Log of total properties	Positive
8	Leverage	Over-all assets to total burdens	CV	Total liabilities to total assets	Positive
9	Auditor type	International and local	IV	If auditor type is Big4 =1 otherwise = 0	Positive
10	Profitability	Proportion of income after tax	CV	Proportion of income after tax/ Shareholder's equity	Positive

3.5 Method of Data Collection

In this study, data were collected through secondary sources such as annual reports and account of the quoted companies in the Nigerian stock exchange market, the web site of the NSE, fact book of NSE and individual website of the sampled companies. This study will emphasis on time frame. This is based on the justification that 2012 is the year which the reviewed code of business control was implemented in Nigeria. Data for dependent variable (DV) and independent variables (IV) was extracted from comprehensive yearly reports of the corporations also their financial statements.

3.6 Population of Interest

The target population of this research work is the entire 195 companies listed on the ground of Nigerian stock exchange that registered and made up of 11 sectors/industries with 95 subsectors in the Nigerian Capital Market. This study has an intention of generalizing the findings of the results of the establishments. In carrying out this research work, companies that operate in the financial service sector were removed from the study. The justification is that the regulatory bodies that control the financial sector differs. Based on this, one hundred and thirty-three companies listed on the Nigerian Stock Exchange with a total firm year observation of 266 were selected based on the availability of their annual reports

3.7 Sample Size

The sample size for this research work will be one hundred and thirty-three quoted companies operating in of the Nigerian stock exchange (NSE) as published in the 2013 edition of the NSE fact book and also compliance with a Nigerian corporate code of conduct on the financial reporting timeliness out of the total numbers of 195

companies. This is because of the fact that one of the intentions of the research aimed at examine impact of corporate governance on the audit lag in Nigerian stock exchange, and outcome of the research work intends to be generalized.

3.8 Method and Tool for Data Analysis

In carrying out this research work, 133 companies will be selected which represents 75 percent of the population and data for the researches of this nature are sourced from annual financial statement and reports of corporations published in the Nigerian Stock Exchange website and also, the simple random sampling technique will be used in selecting the sample size to give each element in the population from all the sectors equal chance of being selected as a subject. Also, data collected will be analysed by the regression method of analysis using M.S Excel spreadsheet, Stata and SPSS 20. The reason for using the two regression analysis is to have an accurate and reliable results.

3.9 Summary of the Chapter

In this chapter of the research work, the theoretical framework was developed in support of the argument that audit lag contributes in decreasing the quality and reliability of financial reporting of organizations in the entire globe and Nigeria precisely. Hypothesis were established to enable the researcher address the research questions raised by this study. This study adopted the same measuring models for the variables like other previous studies. Also, this chapter discussed the method and procedures used in data collection, this study the total sample for the analysis were 133 companies for the period of two years, which make a total of 266 sample size after excluding the financial sectors because of their peculiarity.

CHAPTER FOUR

DISCUSSION OF RESULT

4.1 Introduction

This chapter compacts with analysis and the presentation of experimental results achieved in the projected implementation. This research work has empirically scrutinized the audit lag of Nigerian quoted companies. The records used for the study were obtained from the annual report and account of corporations across businesses for the period of 2012 and 2013 as a comparative analysis. The variables used in the research model include: Audit lag (AUDLAG) which serves as dependent variable while the independent variables used in the model comprise: CEO duality (CEODUAL), board size (BSIZE), audit committee expertise (ACEXP), auditor's opinion (AUDOPIN) client location (LOCN), auditor type (AUDTYP) and client firm size (FSIZE), profitability (PROFT) and leverage (LEVG) as control variable. The models used in this study was adapted and modified to suite this study from prior research such as Lee & Jahng (2008) Banimahd et al. (2012) Austine (2014) and Azubike (2014). The above mentioned variables was analysed by means of descriptive analysis with ordinary least square regression method and the model was assessed with the support of computer software. Corporations that are audited through the Big4 firms are projected in having a diminutive or smaller audit lag for the reason that they have qualified examiners and used advanced current technologies in the stretch. It was observed in the study of (Dechow et al. 2010) that companies with financial year end for the period of eventful period such as December used in the sample faces elongated lags. Auditor's opinion (qualified or unqualified opinion) is used as one of the procedures to designate customer's complexity (Ng, Tai, 1994) and (Akle 2011). Their

results demonstrations is a positive association between audit opinion with audit delay. Omar and Bakar (2012) shows that financially distraught corporations necessitate auditor to work out an important level of professional conclusion that can lag delivering audited reports. Therefore, a relationship is anticipated between the issuing of unease ambiguity opinion and the appropriateness of the audited reports. Moreover, Austine (2014) observed that large businesses are commonly maintained and supervised by outside parties to enable the management to have good incentive to lessen audit lag.

4.2 Descriptive Statistics

The table 1 below is the descriptive analysis of all variables used in the study. Working by surviving regulations in Nigeria, public companies in the nonfinancial sector have been mandated to report their audited accounts within four months that is one hundred and twenty days after the end of the fiscal year and those in the financial sector have six months (180 days) after the accounting year culmination to report or circulate the auditing yearly reports and fiscal statement. With these standards, we can categorically identify the early and late financial reporters among the public companies or the number of periods the public companies under study that make early or late periodical publication of their audited yearly reports and financial statement accordingly to their segments (Oladipupo and Ilaboya, 2013).

From the descriptive table 1 below, minimum audit lag is 31 days in 2012 and 45 days in 2013. It shows that there is an increase of 14 days in the audit lag in 2013. In 2012 the maximum audit lag as shown in the descriptor table is 365 days and 409 days in 2013. It shows that there is an increase of 44 days in the audit lag compare to 2012. On average, Nigerian listed companies take about 124 days for corporations in Nigeria to

issue the annual or yearly financial statements that is more than four month lag from the constitutional stipulated period. The audit lag of this research work is lower in terms of the minimum audit lag and the maximum is higher than the sample reported by Azubike (2014). He observed that the average audit report lag for their sample was roughly 111 days and maximum of 239 day's with a minimum of 47 days (Oladipupo and Ilaboya, 2013).

Table 4. 2.1 Descriptive Statistics yearly

	2012							2013						
	Mean	Med.	Mode	S. Dev.	Min	Max	N	Mean	Med.	Mode	S. Dev.	Min	Max	N
Audit Lag	130	120	120	52.885	31	365	133	133	119	118	55.266	45	409	133
CEO Duality	0.098	0	0	0.30	0	1	133	0.13	0	0	0.34	0	1	133
Board Size	8.038	8	6	2.27	4	14	133	8.02	8	6	2.25	4	14	133
Audit CommExp	0.924	1	1	0.27	0	1	133	0.92	1	1	0.28	0	1	133
AudOpinion	0.060	0	0	0.239	0	1	133	0.113	0	0	0.31752	0	1	133
Location	0.759	1	1	0.429	0	1	133	0.752	1	1	0.43355	0	1	133
Firm Size	240	8814	230	829.4	120.4	5.109	133	215	829.9	228.4	793.2	125.9	5.109	133
Leverage	349	187	446	617	.118	446	133	377	178	341	639	.216	446	133
Auditor Typ	0.48	0	0	0.50	0	1	133	0.481	0	0	0.502	0	1	133
Profitability	40.94	13	13	73.033	0.08	458.4	133	34.89	12.6	14	75.040	0.04	744	133

Note: Firm size, leverage all in millions of Naira (₦) currency. 1# = $195 USD

Still in table 1 above from descriptive statistics, the minimum CEO duality is zero in 2012 and 2013 respectively because the chief executive officer was measured as a dummy variable and a maximum of one (1) in 2012 and 2013. It shows that there is level of compliance with the statutory regulatory law of the NSE which says that the chairman should be separated from CEO which is in line with Abdul Hamid et al., (2013) that report a non CEO duality 84% and 93% individually and also inconsistence with the discovery of Hamid (2008) and Dabor and Adeyemi (2009) establish that for an effective and magnanimous board to be in place, the position of chairman and CEO should be disconnected.

The board size from the table above showed that the minimum board size is 4 participants and a maximum of 14 participants in the board. This shows that most of the Nigerian corporations registered in the Nigerian Stock market complied with the necessary requirement of SEC code. The companies that did not comply with the statutory obligation are not many.

The listing requirement of the regulatory bodies in Nigeria and the globe is that every audit committee of all listed or quoted companies must have a member or members with financial experience, which is to say that he/she must have a professional qualification or he/she must be experts with past employment experience in accounting or finance or any other financial indulgent and experience that will result in financial uncomplicatedness and timeliness of audit report. From the table above the audit committee expertise result revealed is minimum of zero (0) and the maximum is one in both 2012 and 2013.

For the control variables, it gives the impression that the minimum value of audit opinion in 2012 and 2013 is zero and the maximum is one (1) in 2012 and 2013. From

the descriptive result, it shows that there is less or no qualified report in 2012 and 2013. The location of auditor office to client's office same locality was measured as a dummy variable and a maximum of one (1) in 2012 and 2013. For the firm size, it is measured as natural log of total assets of quoted companies in the Nigerian Stock Exchange. The mean is #240 million ($1,231 million) in 2012 and #215 million ($1,103 million) in 2013 with a standard deviation of 829 in 2012 and 793 in 2013, the result shows a minimum size of #120 million ($617,385) in 2012 and #126 million ($646,154) in 2013 with also a maximum size of #5,109 million ($26.2 million) in 2012 and #5,109 million ($26.2 million) also in 2013.

Moreover, leverage is measured as percentage of long term debt and equity of the companies quoted on the Nigerian Stock Exchange is #349 million in 2012 and #377 million in 2013 with a standard deviation of #617 in 2012 and #639 million in 2013, but the minimum is #0.118 in 2012 and #0.216 in 2013 while the maximum in 2012 is #44.6 in 2012 and #44.6 in 2013 also. Those figures reveal the tendency of Nigerian companies to manage the returns on shareholders' investment. Therefore, there is a tendency for the management to delay the audit report if the liabilities of the company are more than the assets. Concerning the company's profitability the mean value of the companies quoted on the Nigerian Stock Exchange is 40.9444 in 2012 and 34.889 in 2013, with a standard deviation of 73.0333 in 2012 and 75.0403 in 2013. The result also shows a minimum profitability of 0.08 in 2012 and 0.04 in 2013 and a maximum of 458.4 in 2012 and 744 in 2013.

Table 4. 2.2 Descriptive pooled data

	Pooled Data						
	Mean	Median	Mode	S/ Dev.	Min	Max	Count
Audit Lag	132	120	90	54	31	409	266
CEO Duality	0.11	0	0	0.32	0	1	266
Board Size	8.03	8	6	2.26	4	14	266
Audit CommExp	0.92	1	1	0.27	0	1	266
Aud_Opinion	0.09	0	0	0.28	0	1	266
Location	0.76	1	1	0..43	0	1	266
Firm Size	228	853	230	810	120	5.109	266
Leverage	363	183	446	627	0.118	446	266
Auditor Type	0.48	0	0	0.50	0	1	266
Profitability	37.92	13	13	73.97	0.04	744	266

Note: Firm size in million Naira (#) #1 = $195 USD

The pooled data in table 2 above are the pooled descriptive data, shows that the lowest audit delay is 31 days, whereas maximum delay is 409 days with a standard deviation of 54 days and also a mean of 132 days. While the maximum number of companies that refused to separate the position of CEO from chairman is one. Also the average board's size is eight (8) members as seen in table 2. While the minimum members are four (4) members and the maximum is fourteen (14) members. Although, the regulatory body such as (SEC) states that no company should have less than five (5) members as the board size. So the result is also in line with that of (Abdel-Meguid et al., 2013; Adegbite, 2014) that have their average minimum and maximum board members as 7 people and 8 people. It shows from the above pooled data that not all the companies comply with the stated laws of the regulatory bodies.

For the firms' size, it is measured by the natural log of total assets of quoted companies in the Nigerian Stock Exchange. The mean is #228 million with a standard

deviation of #853 million the result shows a minimum size of #120 million and also a maximum size of #5,109 (five billion one hundred and nine million Naira)

Moreover, leverage is measured as percentage of long term debt and equity of the companies registered in Nigerian Stock Exchange has a mean is #363 million with a standard deviation of #627 million, but the minimum is #0.118 million with maximum 0f #446 million. Those figures reveal the tendency of Nigerian companies to manage the returns on shareholders' investment. Therefore, there is a tendency for the management to delay the audit report if the liabilities of the company is more than the assets. Concerning the company's profitability the mean value of the companies quoted on the Nigerian Stock Exchange is 37.92 kobo, a standard deviation as 74 kobo. This result also shows minimum profitability as 0.04 kobo and a maximum of 744 kobo.

Table 4.2.3 Parametric Statistics Regression Analysis

	2012			2013		
	Coefficient	t - value	p - value	Coefficient	t - value	p - value
(Constant)	5.672	18.12	0.000	5.71	17.051	0.000
CEO Duality	0.019	0.189	0.851	0.05	0.411	0.682
Board Size	-0.17	-1.454	0.148	-0.14	-1.209	0.229
Audit Committee Expertise	0.095	0.813	0.418	0.1	0.815	0.416
Auditors Opinion	-0.013	-0.125	0.901	-0.03	-0.249	0.804
Location	0.01	0.132	0.895	0.06	0.806	0.422
Firm Size	-0.034	-2.421	0.017**	-0.05	-3.33	0.001***
Leverage	-0.001	-0.119	0.905	0.00	0.155	0.877
Auditor Type	-0.089	-1.388	0.168	-0.07	-1.114	0.267
Profitability	3.562	0.008	0.993	0.001	2.766	0.007***
F – value			1.47			2.48
R square			0.1			0.15
Adj. R square			0.03			0.09
P – value			0.07**			0.01**

Dependent Variable: Audit Lag

****** sig @1%, ** sig @5%, * sig @10%***

Using the model as specified above;

The value of all the parameters is in Table 3 above is also summarized from the regression result. Empirical evidence from the Audit Lag equation in Table 3 revealed that there is a positive association between audit lag and CEO Duality. This can be seen from the parameter βI for with a positive value of 0.019 in 2012 and 0.049 in 2013. This means a one unit increase in CEO Duality will increase Audit Lag with a value of 0.019 and 0.049 in 2012 and 2013 respectively with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the CEO Duality is not statistically significant. The p-value of 0.682 in 2013 and 0.851 in 2012 is greater than 10%, hence, CEO Duality is found not to be significant in explaining changes in Audit Lag for both 2012 and 2013. The result obtained above is in line with the result of Marra & Mazzola (2014) McGee & Yuan (2012) and

Banimahd et al. (2012) they observed that there is no association between audit lag and CEO duality.

In the same vein, the independent variable Board Size in the Audit Lag equation shown in Table 3 revealed that there is a negative association between Board Size and Audit Lag. This can be seen from the parameter β2 with a negative value of 0.17 in 2012 and 0.14 in 2013. This means a one person increase in Board Size will decrease Audit Lag with the value of 0.17 and 0.14 for 2012 and 2013 respectively with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the Board Size is not statistically significant. The p-value of 0.54 is greater than 10%, hence, board size is found not to be significant in explaining changes in Audit Lag for both 2012 and 2013. This is because, the P-value is 0.148 and 0.229 for 2012 and 2013 respectively. The above finding contour with Austine (2014) Azubike (2014) Banimahd et al. (2012) Semiu Babatunde Adeyemi (2011) they found that board size has no significant impact on audit lag.

Moreover, the independent variable audit committee expertise from the empirical evidence shows that there is positive association between audits lag and audit committee expertise. This can be seen from the parameter β_3 with a positive value of 0.095 and 0.1 for 20112 and 2013 respectively. This mean a one person increase in audit committee expertise will increase Audit Lag with the value of 0.095 and 0.815 for 2012 and 2013 respectively with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the audit committee expertise is not statistically significant. The p-value is greater than 10% hence, audit committee expertise is found not to be significant in explaining changes in Audit Lag for both 2012 and 2013. This is because, the P-value is 0.418 and 0.416 for 2012 and

2013 respectively. The result obtained is in line with that of Botti et al. (2014) and Kelton & Yang (2008) they discovered a negative relationship between audit lag audit committee expertise.

However, the independent variable audit opinion from the empirical evidence shows that there is a negative association between audits lag and audit opinion. This can be seen from the parameter β_4 with a negative value of 0.013 and 0.034 for 20112 and 2013 respectively. This means a one person increase in audit opinion will decrease Audit Lag with the value of 0.013 and 0.034 for 2012 and 2013 respectively with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the audit opinion is not statistically significant. The p-value is greater than 10%, hence, audit opinion is found not to be significant in explaining changes in Audit Lag for both 2012 and 2013. This is because, the P-value is 0.901 and 0.804 for 2012 and 2013 respectively. The above result is in line with previous study of Lee & Jahng (2008) and Abdel-Meguid et al. (2013) they observed that qualified report led to more audit lag, so the expectancy is that a standard unqualified opinion will has negative consequence on audit lag.

In addition, the independent variable location from the empirical evidence shows that there is a positive association between audit lag and location. This can be seen from the parameter β_5 with a positive value of 0.01 and 0.059 for 2012 and 2013 respectively. This means a one increase in the location of the auditor head office and client's head office will increase Audit Lag with the value of 0.01 and 0.059 for 2012 and 2013 respectively with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the location is statistically significant. The p-value is greater than 10%, hence, the location is found not to be

significant in explaining changes in Audit Lag for both 2012 and 2013. This is because, the P-value is 0.895 and 0.422 for 2012 and 2013 respectively. The result is contour with what is obtained in Banimahd et al. (2012) he observed that there is significant association among location of audit firms with audit lag.

Furthermore, the evidence from the Audit Lag equation also revealed that there is negative association between audit lag and firm size. This can be seen from the parameter β_6 with a negative value of 0.034 in 2012 and 0.048 in 2013. This mean a one unit increase in firm size will decrease Audit Lag with value of 0.034 and 0.048 in 2012 and 2013 respectively with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the firm size is statistically significant. The p-value of 0.017 in 2012 and 0.001 in 2013 is less than 10% hence, firm size is found to be negatively significant in clarifying changes in audit Lag for both 2012 and 2013. Although, Alkhatib & Marji (2012) in their findings they observed that firm size were negatively correlated with audit delay. Chalaki et al. (2012) also emphasis that there is positive association amongst audit lag and firm size and the results is in line with what is obtained in this research work.

In the same vein, the independent variable leverage shown in Table 3 revealed that there is negative association concerning audit lag with leverage. This can be seen from the parameter β_7 with a negative value of 0.001 in 2012 and also 0.001 in 2013. This mean a one increase in leverage will decrease Audit Lag with the value of 0.001 and 0.001 for 2012 and 2013 respectively with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient is not statistically significant. The p-value of 0.905 in 2012 and 0.877 is greater than 10% hence, leverage is found not to be significant in explaining changes in Audit Lag for both

2012 and 2013 respectively. The result obtained in this research work is in line with what is obtained by Danis et al. (2014) and Alkhatib & Marji (2012) they observed that leverage is not expressively correlated with lag in audit.

Furthermore, independent variable auditor type equation shown on the same table above revealed that there is negative association between auditor types with audit lag. Which can be seen from the parameter β_8 with a negative value of 0.089 in 2012 and 0.072 in 2013. This mean an increase in auditor type will decrease Audit Lag with the value of 0.089 and 0.072 for 2012 and 2013 respectively with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the auditor type is not statistically significant. The p-value is greater than 10% hence, auditor type is found not to be significant in explaining changes in Audit Lag for both 2012 and 2013. This is because, the P-value is 0.168 and 0.267 for 2012 and 2013 respectively. The result obtained is in line with what is obtained by Dibia; J, (2013) they found out that auditor type has no significant relationship with audit lag.

Likewise, the evidence from the Audit Lag equation in also revealed that there is positive association between audits lag and firms profitability. This can be seen from the parameter β_9 with a positive value of 3.56 in 2012 and 0.001 in 2013. This mean a one unit increase in profitability will increase Audit Lag with value of 3.56 and 0.001 in 2012 and 2013 respectively with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the profitability is statistically significant in both 2012 and 2013. The p-value of 0.007 in 2012 and 0.008 in 2013 is less than 10% hence, profitability is found to be positively significant in explaining changes in Audit Lag in all the years 2013. The result obtained is in

consistence with what is obtained by Dibia (2013) they states that "profitability has a significant impact on audit lag".

Table 4.2.4 Pooled data Regression Analysis

	Coefficients	*Std-Err*	*P-value*
Cons	5.784	1.173	0.000
CEO Duality	-.0006	.0314	0.984
Board Size	-.1340	.0910	0.141
Audit Comm. Expe.	.0233	.0315	0.459
Auditor's Opinion	-.0453	.0346	0.190
Location	-.0058	.0466	0.900
Firm Size	-.0940	.0288	0.001***
Leverage	.0000	.6410	0.012**
Auditor Type	-.0740	.0606	0.221
Profitability	.0006	.0003	0.013**
F- value			9.45
R- Squre			0.048
P- value			0.0000***

a Dependent Variable: Audit Lag

Note: * sig @1%, ** sig @5%, * sig @10%**

Table 4 above is also summarized from the regression result of the pooled data. Empirical evidence from the Audit Lag equation in Table 4 revealed that there is negative relationship between CEO Duality and Audit Lag. This can be seen from the parameter βI for with a negative value of 0.006. This mean a one unit increase in CEO Duality will increase Audit Lag with value of 0.006 with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the CEO Duality is not statistically significant. The p-value of 0.984 is greater than 10% hence, CEO Duality is found not to be significant in explaining changes in Audit Lag.

However, the independent variable board size from the empirical evidence shows that there is negative relationship between board size and audit lag. This can be seen from the parameter β_2 with a negative value of .1334. This mean a one person increase in board size will decrease Audit Lag with the value of .1334 with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the audit opinion is not statistically significant. The p-value is greater than 10% hence, board size is found not to be significant in explaining changes in Audit Lag. This is because, the P-value is 0.141

In the same vein, the independent variable audit committee expertise in the Audit Lag equation shown on Table 4 revealed that there is positive relationship between audit committee expertise and Audit Lag. This can be seen from the parameter β3 with a positive value of 0.233. This mean a one person increase in audit committee expertise will increase Audit Lag with the value of 0.233 with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the audit committee expertise is not statistically significant. The p-value of 0.459 is greater than 10% hence, audit committee expertise is found not to be significant in explaining changes in Audit Lag.

However, the independent variable audit opinion from the empirical evidence shows that there is negative relationship between audit opinion and audit lag. This can be seen from the parameter β_4 with a negative value of 0.453. This mean a one person increase in audit opinion will decrease Audit Lag with the value of 0.453 with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the audit opinion is not statistically significant. The p-value is

greater than 10% hence, audit opinion is found not to be significant in explaining changes in Audit Lag. This is because, the P-value is 0.190.

Moreover, the independent variable location from the empirical evidence shows that there is negative relationship between location and audit lag. This can be seen from the parameter β_5 with a negative value of 0.058. This means a one increase in location of auditor head office and clients head office will increase Audit Lag with the value of 0.058 with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the location is statistically significant. The p-value is greater than 10%, hence, location is found not to be significant in explaining changes in Audit lag. This is because the P-value is 0.900 as observed.

Furthermore, the evidence from the Audit Lag equation in also revealed that there is negative relationship between firm size and Audit Lag. This can be seen from the parameter β_6 with a negative value of 0.940. This means a one unit increase in firm size will decrease Audit Lag with value of 0.940 with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the firm size is statistically significant. The p-value of 0.001 is less than 10%, hence, firm size is found to be negatively significant in explaining changes in Audit Lag.

In the same vein, the independent variable leverage shown in Table 3 revealed that there is positive relationship between leverage and Audit Lag. This can be seen from the parameter β_7 with a positive value of 0.001. This means a one increase in leverage will decrease Audit Lag with the value of 0.001 with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient is not statistically significant. The p-value of 0.012 is less than 10%, hence, leverage is found to be significant in explaining changes in Audit Lag.

Furthermore, the independent variable auditor type equation shown on the same table 3 revealed that "there is negative relationship between auditor types with Audit Lag". This can be seen from the parameter β_8 with a negative value of 0.740. This means an increase in auditor type will decrease Audit Lag with the value of 0.740 with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the auditor type is not statistically significant. The p-value is greater than 10%, hence, auditor type is said to not be significant in explaining changes in Audit Lag. This is because, the P-value is 0.221.

Likewise, the evidence from the Audit Lag equation in also revealed that there is a positive association between firm profitability and Audit Lag. It can be seen from the parameter β_9 with a positive value of 0.006. This means a one unit increase in profitability will increase Audit Lag with value 0.006 with the economic assumption of other factors remain constant. At any level of significant the p-value coefficient of the profitability is statistically significant. The p-value of 0.013 is less than 10%, hence, profitability is found to be significant in explaining changes in Audit Lag of the pooled data.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The section represents research summary work, a conclusion which is based on the research findings and followed by the suggestions for future related studies on audit lag or delay.

5.1 Summary of the study and findings

Audit lag which is also known as audit delay from the descriptive analysis shows that the minimum audit lag is 31 days in 2012 and 45 days in 2013. It shows that there is an increase of 14 days in the audit lag in 2013. In 2012 the maximum audit lag as shown in the descriptor table is 365 days and 409 days in 2013. It shows that there is an increase of 44 days in the audit lag compare to 2012. On average, Nigerian listed companies take about 124 days for corporations in Nigeria to issue the annual or yearly financial statements that is more than four month lag from the constitutional stipulated period. Moreover, CEO duality, board size, audit committee expertise, audit opinion and auditor type were found not to be significant in explaining change in audit lag, but firm size, leverage and profitability were found to be significant in explaining change in audit lag.

5.2 Conclusion

The audit report is an important instrument for investment purpose, as important evidence mediator audit report is always focus of investors, company's regulators and audit firms and the audit lag reliably regulates the effectiveness in decision making. Unnecessary audit delay decreases eminence or superiority of financial accounting

reports by not providing appropriate information that shareholders and prospective stakeholders needed for investment purpose. This research work examined corporate governance and audit lag of listed companies in the Nigerian Stock Exchange for a period of 2012 also 2013. The study was piloted on a collective sample of 133 companies diagonally industries like ICT, agriculture, conglomerate, consumer goods, oil and gas heath sector, industrial goods, natural resources and services. The study puts into consideration the corporate control mechanism for example CEO duality, board size, audit committee expertise with some variables like auditor's opinion, the location of the companies, firm size, leverage, auditor type and profitability. However, some of the results indicate that some of the variables has no significant relationship with audit lag and some has a significant relationship with audit lag.

5.3 Recommendations

After the research findings, subsequent recommendations are recommended to reinforce financial report quality with the effectiveness and efficiency of report audited by registered companies in Nigeria through elimination of audit lag.

- Corporations should guarantee transparency in the financial reporting undertakings. The improvement should be in the form of adequate and timely of disclosures in financial statements and reports.
- Release of businesses' financial reports should be done at the right time to enable the shareholders to make knowledgeable pronouncements on investments.
- Monitoring authorities such as SEC, NSE, and CAMA and so on should brace up to the research that audit lag can diminish capital market activities in the Nigerian stock market.

It is understood that upon putting into practice those recommendations, the problem of irregularities, frauds associated with audit lag will be momentously improved in Nigeria.

5.4 Future Research

Based on this study's constraint and findings, future researchers would be appreciated to overcome the weakness of this study. Future researchers can be conducted on financial sectors, so that their findings can be totally generalized since the researcher of this research work exempted the financial sectors because of time constraint and because they were regulated by different regulatory body.

Further studies on the same topic can similarly be extended using ownership structures, audit committee quality, CEO tenure, risk management committee, internal control system, and independent director remuneration. In addition, future researchers may essentially carry out the comparison of audit lag in, different developing economy with contrasts in situations, societies, the level of training of staff members, and so on. The nature of performance could be scrutinized, and opinion could be made on whether it is improving over a period or not as per audit lag. Moreover, the data for this research work is established from yearly reports for the period of 2012 and 2013 and 2012 was the year of implementation of the revised version of code of corporate governance in Nigeria so, future research can investigate the audit lag of corporate entities pre and post of the revised corporate governance and the trend of the revised version.

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Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Audit Lag 2013	133	31.00	365.00	130.2105	52.88496	2796.819	1.703	.210	4.272	.417
Audit Lag 2012	133	45.00	409.00	133.1579	55.26641	3054.376	2.075	.210	6.709	.417
CEO Duality 2013	133	.00	1.00	.9023	.29809	.089	-2.740	.210	5.592	.417
CEO Duality 2012	133	.00	1.00	.8722	.33515	.112	-2.255	.210	3.131	.417
Board Size 2013	133	4.00	14.00	8.0376	2.26771	5.143	.491	.210	-.376	.417
Board Size 2012	133	4.00	14.00	8.0226	2.25115	5.068	.505	.210	-.336	.417
Audit committee Expertise 2013	133	.00	1.00	.9248	.26469	.070	-3.259	.210	8.752	.417
Audit committee Expertise 2012	133	.00	1.00	.9173	.27648	.076	-3.065	.210	7.505	.417
Complexity 2013	133	.00	1.00	.9398	.23866	.057	-3.742	.210	12.187	.417
Complexity 2012	133	.00	1.00	.8872	.31752	.101	-2.476	.210	4.195	.417
Location 2013	133	.00	1.00	.7594	.42906	.184	-1.228	.210	-.501	.417
Location 2012	133	.00	1.00	.7519	.43355	.188	-1.180	.210	-.618	.417
Firm Size 2013	133	11.70	22.35	16.2964	2.33149	5.436	.626	.210	.228	.417
Firm Size 2012	133	11.74	22.35	16.2226	2.30416	5.309	.589	.210	.216	.417
Leverage 2013	133	.12	44.57	3.4917	6.17081	38.079	5.171	.210	29.982	.417
Leverage 2013	133	.22	44.57	3.7727	6.38732	40.798	4.161	.210	19.501	.417
Auditor type 2013	133	.00	1.00	.4812	.50154	.252	.076	.210	-2.025	.417
Auditor type 2012	133	.00	1.00	.4812	.50154	.252	.076	.210	-2.025	.417
Profitability 2013	133	.08	458.40	40.9444	73.03329	5333.861	3.549	.210	15.174	.417
Profitability 2012	133	.04	744.00	34.8890	75.04034	5631.052	6.872	.210	61.222	.417
Valid N (listwise)	133									

Column1		*Column2*		*Column3*		*Column4*		*Column5*	
	131.684		0.11278		8.03007		0.92105		0.08646
Mean	2	Mean	2	Mean	5	Mean	3	Mean	6
	3.31137		0.01943		0.13827		0.01656		0.01726
Standard Error	1	Standard Error	2	Standard Error	5	Standard Error	5	Standard Error	5
Median	120	Median	0	Median	8	Median	1	Median	0
Mode	90	Mode	0	Mode	6	Mode	1	Mode	0
Standard	54.0068	Standard	0.31692	Standard	2.25519	Standard	0.27016	Standard	0.28158
Deviation	3	Deviation	2	Deviation	1	Deviation	5	Deviation	1
Sample	2916.73	Sample		Sample	5.08588	Sample	0.07298	Sample	0.07928
Variance	8	Variance	0.10044	Variance	5	Variance	9	Variance	8
	5.51171		4.09278						6.80966
Kurtosis	6	Kurtosis	5	Kurtosis	-0.37188	Kurtosis	7.923	Kurtosis	9
	1.89312		2.46212		0.49538				
Skewness	2	Skewness	7	Skewness	9	Skewness	-3.14062	Skewness	2.95948
Range	378	Range	1	Range	10	Range	1	Range	1
Minimum	31	Minimum	0	Minimum	4	Minimum	0	Minimum	0
Maximum	409	Maximum	1	Maximum	14	Maximum	1	Maximum	1
Sum	35028	Sum	30	Sum	2136	Sum	245	Sum	23
Count	266	Count	266	Count	266	Count	266	Count	266

Column6		*Column7*		*Column8*		*Column9*		*Column10*	
Mean	0.755639	Mean	16.2595	Mean	3.632031	Mean	0.481203	Mean	37.9167
Standard Error	0.026397	Standard Error	0.141855	Standard Error	0.384419	Standard Error	0.030693	Standard Error	4.535147
Median	1	Median	15.95957	Median	1.8264	Median	0	Median	13
Mode	1	Mode	14.64753	Mode	44.56846	Mode	0	Mode	13
Standard Deviation	0.430518	Standard Deviation	2.313582	Standard Deviation	6.269691	Standard Deviation	0.500588	Standard Deviation	73.96601
Sample Variance	0.185345	Sample Variance	5.352664	Sample Variance	39.30902	Sample Variance	0.250589	Sample Variance	5470.97
Kurtosis	-0.57254	Kurtosis	0.198965	Kurtosis	23.88027	Kurtosis	-2.00944	Kurtosis	38.27045
Skewness	-1.19659	Skewness	0.605411	Skewness	4.613934	Skewness	0.075669	Skewness	5.232936
Range	1	Range	10.65543	Range	44.45075	Range	1	Range	743.96
Minimum	0	Minimum	11.69892	Minimum	0.117714	Minimum	0	Minimum	0.04
Maximum	1	Maximum	22.35435	Maximum	44.56846	Maximum	1	Maximum	744
Sum	201	Sum	4325.027	Sum	966.1204	Sum	128	Sum	10085.84
Count	266	Count	266	Count	266	Count	266	Count	266

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.312[a]	.097	.031	.36163

a. Predictors: (Constant), Profitability 2012, Location 2012, Leverage 2012, Firm Size 2012, Audit Committee Expertise 2012, Auditor Type 2012, Auditors Opinion 2012, Board Size 2012, CEO Duality 2012

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.735	9	.193	1.474	.065[b]
	Residual	16.086	123	.131		
	Total	17.821	132			

a. Dependent Variable: Audit Lag 2012

b. Predictors: (Constant), Profitability 2012, Location 2012, Leverage 2012, Firm Size 2012, Audit Committee Expertise 2012, Auditor Type 2012, Auditors Opinion 2012, Board Size 2012, CEO Duality 2012

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.672	.313		18.120	.000
	CEO Duality 2012	.019	.101	.017	.189	.851
	Board Size 2012	-.170	.117	-.130	-1.454	.148
	Audit Committee Expertise 2012	.095	.116	.071	.813	.418
	Auditors Opinion 2012	-.013	.105	-.011	-.125	.901
	Location 2012	.010	.073	.011	.132	.895
	Firm Size 2012	-.034	.014	-.214	-2.421	.017
	Leverage 2012	-.001	.005	-.010	-.119	.905
	Auditor Type 2012	-.089	.064	-.122	-1.388	.168
	Profitability 2012	3.561E-006	.000	.001	.008	.993

a. Dependent Variable: Audit Lag 2012

Model Summary

Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.392[a]	.154	.092	.358

a. Predictors: (Constant), Profitability 2013, Auditors Opinion 2013, Leverage 2013, Location 2013, Audit Committee Expertise 2013, Board Size 2013, Firm Size 2013, Auditors Type 2013, CEO Duality 2013

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.860	9	.318	2.484	.012[b]
	Residual	15.739	123	.128		
	Total	18.600	132			

a. Dependent Variable: Audit Lag 2013

b. Predictors: (Constant), Profitability 2013, Auditors Opinion 2013, Leverage 2013, Location 2013, Audit Committee Expertise 2013, Board Size 2013, Firm Size 2013, Auditors Type 2013, CEO Duality 2013

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.712	.335		17.051	.000
	CEO Duality 2013	.049	.118	.039	.411	.682
	Board Size 2013	-.138	.114	-.104	-1.209	.229
	Audit Committee Expertise 2013	.100	.123	.071	.815	.416
	Auditors Opinion 2013	-.034	.138	-.022	-.249	.804
	Location 2013	.059	.073	.068	.806	.422
	Firm Size 2013	-.048	.015	-.301	-3.330	.001
	Leverage 2013	.001	.005	.013	.155	.877
	Auditors Type 2013	-.072	.065	-.097	-1.114	.267
	Profitability 2013	.001	.000	.241	2.766	.007

a. Dependent Variable: Audit Lag 2013

Audlag	Coef.	Robust Std. Err.	z	P>|z|	[95% Conf. Interval]	
CEOdual	-.0006383	.0313868	-0.02	0.984	-.0621554	.0608787
Bsize	-.133933	.091009	-1.47	0.141	-.3123074	.0444414
AcExp	.0233284	.0315235	0.74	0.459	-.0384564	.0851133
Audiop	-.045315	.0345565	-1.31	0.190	-.1130444	.0224144
locn	-.0058262	.0465921	-0.13	0.900	-.097145	.0854926
Fsize	-.0940232	.0287817	-3.27	0.001	-.1504343	-.037612
lev	.0000162	6.41e-06	2.52	0.012	3.62e-06	.0000288
Audtype	-.0740474	.0605555	-1.22	0.221	-.1927341	.0446392
profit	.0005691	.0002285	2.49	0.013	.0001212	.001017
_cons	5.748253	.2429033	23.66	0.000	5.272171	6.224335
sigma_u	.32665546					
sigma_e	.15373247					
rho	.81867322	(fraction of variance due to u_i)				

APPENDIX:

LIST OF INDUSTRIES

AGRICULTURE

1. FTN COCOA PROCESSORS PLC
2. OKUMU OIL PALM PLC
3. PRESCO PLC
4. ELLAH LAKES PLC
5. LIVESTOCK FEEDS PLC

CONGLOMERATES

6. AG LEVENTIS NIG PPLC
7. CHELLARAMS PLC
8. JOHN HOLT PLC
9. SCOA NIG PLC
10. TRANSNATIONAL CORPORATION OF NIGERIA PLC
11. UAC OF NIG PLC

CONSTRUCTION/REAL ESTATE

12. ARBICO PLC
13. CAPPA & D ALBERTO PLC
14. COSTAIN PLC
15. G. CAPPA PLC
16. JULIUS BERGER PLC
17. ROADS NIGERIAN PLC
18. PINNACLE POINT GROUP PLC
19. UACN PROPERTY DEV. CO. PLC
20. SKYE SHELTER FUND PLC
21. UNION HOMES REAL ESTATE INVESTMENT TRUST

CONSUMER GOODS

22. DN TYRE AND RUBBER PLC
23. CHAMPION BREWERIES PLC

24. GOLDEN GUINEA BREWERIES PLC
25. GUINNESS NIGERIA PLC
26. INTERNATIONAL BREWERIES PLC
27. JOS INTERNATIONAL BREWERIES PLC
28. NIGERIAN BREWERIES PLC
29. PREMIER BREWERIES PLC
30. 7-UP BOTTLING COMPANY PLC
31. BIG TREAT PLC
32. DANGOTE FLOUR MILL PLC
33. DANGOTE SUGER REFINERY PLC
34. FLOUR MILL OF NIGERIA PLC
35. HONEYWELL FLOUR MILL PLC
36. MULTI-TREX INTEGRATED FOOD PLC
37. NORTHERN NIGERIA FLOUR MILL PLC
38. NATIONAL SALT COMPANY OF NIGERIA PLC
39. P S MANDRIDES PLC
40. UTC NIGERIA PLC
41. UNION DICON SALT PLC
42. CADBURY NIGERIA PLC
43. NESTLE NIGERIA PLC
44. BETA GLASS PLC
45. NIGERIAN ENEMELWARE PLC
46. VITAFOAM NIGERIA PLC
47. VONO
48. PZ CUSSONS NIGERIA PLC
49. UNILIVER NIGERIA PLC

HEALTHCARE

50. EKOCORP PLC
51. UNION DIAGNOSTIC AND CLINICAL SERVICES PLC
52. MORISION INDUSTRIES PLC

53. EVANS MEDICAL PLC

54. FIDSON HEALTHCARE PLC

55. GLAXO SMITHKLINE CUSTOMER NIG. PLC

56. MAY AND BAKER NIGERIA PLC

57. NEIMETH INTERNATIONAL PHEMACEUTICAL PLC

58. NIGERIA-GERMAN CHEMICAL PLC

59. PHARMA-DECO PLC

ICT

60. COURTEVILLE INVESTMENTS PLC

61. OMATEK VENTURES PLC

62. MTECH COMMUNICATION PLC

63. NCR NIGERIA PLC

64. TRIPPLE GEE AND COMPANY PLC

65. CHAMS PLC

66. E-TRANZACT INTERNATIONAL PLC

67. STARCOMMS PLC

68. HIS NIGERIA PLC

69. MASS TELECOM INNOVATION NIGERIA PLC

INDUSTRIAL GOODS

70. AFRICAN PAINT NIG PLC

71. ASHAKA CEMENT PLC

72. BERGER PAINT NIGERIA PLC

73. CAP PLC

74. CHEMICAL AND ALLIED PRODUCTS PLC

75. CEMENT COMPANY OF NOTHERN NIGERIA PLC

76. DANGOTE CEMENT PLC

77. DN MEYER PLC

78. FIRST ALUMINIUM NIGERIA PLC

79. IPWA PLC

80. LAFARGE CEMENT WAPCO NIGERIA PLC

81. PAINTS & COATINGS MANUFACTURERS NIG. PLC

82. SANDTEX PORTLAND PAINTS AND PRODUCTS (NIG.) PLC

83. PREMIER PANITS PLC

84. CUTIX PLC

85. NIGERIAN WIRE AND CABLE PLC NAIL

86. NIGERIAN WIRE INDUSTRIES PLC

87. ABPLAST PRODUCTS PLC

88. AVON CROWNCAPS & CONTAINNERS NIG. PLC

89. BETA GLASS PLC

90. GREIF NIGERIA PLC

91. NIGERIAN BAG MANUFACTURING COMPANY PLC

92. POLY PRODUCTS NIGERIA PLC

93. WEST AFRICAN GLASS INDUSTRY PLC

94. NIGERIAN SEWING MACHINE MANUFACTURING CO. PLC

95. NIGERIAN ROPES PLC

96. STOKVIS NIGERIA PLC

97. AUSTIN LAZ & CO PLC

NATURAL RESOURCES

98. BOC GASES PLC

99. ALUMACO PLC

100. ALUMINIUM EXTRUSION INDUSTRIES PLC

101. MULTIVERSE PLC

102. HALLMARK PAPER PRODUCTS PLC

103. THOMAS WYATT NIGERIA PLC

OIL AND GAS

104. JAPAUL OIL AND MARITIME SERVICES PLC

105. OANDO PLC

106. AFROIL PLC

107. BECO PETROLIUM PRODUCTS PLC

108. CONOIL PLC

109. ETERNA OIL AND GAS PLC
110. FORTE OIL PLC
111. MOBIL OIL NIGERIA PLC
112. MRS OIL NIGERIA PLC
113. TOTAL NIGERIA PLC

SERVICES

114. AFROMEDIA NIGERIA PLC
115. LENNARDS NIGERIA PLC
116. RT BRISCOE NIGERIA PLC
117. RED STAR EXPRESS PLC
118. TRANS NATIONWIDE EXPRESS PLC
119. C & I LEASING PLC
120. TANTALIZERS PLC
121. CAPITAL HOTEL PLC
122. IKEJA HOTEL PLC
123. THE TOURISST COMPANY OF NIGERIA PLC
124. DAAR COMMUNICATIOS PLC
125. ACADEMY PRESS PLC
126. LEARN AFRICA PLC
127. STUDIO PRESS NIGERIA PLC
128. UNIVERSITY PRESS PLC
129. ASSOCIATED BUS COMPANY PLC
130. INTERLINKED TECHNOLOGY PLC
131. SECURE ELECTRINICS TECHNOLOGY PLC
132. AIRLINE SERVICES AND LOGISTICS PLC
133. NIGERIAN AVIATION HANDLING COMPANY PLC