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Board Independence, Board Diligence and Audit Report Lag in Listed Deposit Money Banks in Nigeria

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

This paper focuses on the impact of board independence and board diligence in audit report lag in listed deposit money banks in Nigeria. A case study of 10 deposit money banks listed on the Nigeria stock exchange. The major objective of the study is, to determine the impact of board independence on audit report lag in listed deposit money banks in Nigeria and to determine the impact of board diligence on audit report lag in listed deposit money banks in Nigeria. The data was gotten for the annual reports of these banks for the period of 2008 to 2017. A panel ordinary least square regression to achieve the set objectives. The major finds are: board independence exerted negative impact on audit reporting lag of Nigerian banks. Some of the recommendation suggested that; corporate organizations in Nigeria should adopt optimal board size that promote early financial disclosure; Security and Exchange Commission should engage in more supervision among corporations in Nigeria who engage in audit lag as a measure of engaging in earnings management; Sequel to the point raised above, it is imperative to increase board rotation among corporations in Nigeria so as to mitigate against earnings management; Corporations in Nigeria should be made to pay heavy penalty for audit report lag.

Keywords: Board independence; performance; audit reporting; audit report lag, board characteristics.

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1. INTRODUCTION

Financial reports are written records that convey the business activities and the financial performance of a company. Financial statements include the balance sheet, income statement, and cash flow statement. Financial statements are often audited by government agencies, accountants, firms, etc. to ensure accuracy and for tax, financing, or investing purposes [1]. Investors and financial analysts rely on financial data to analyze the performance of company and make predictions about its future direction of the company's stock price. One of the most important resources of reliable and audited financial data is the annual report, which contains the firm's financial statements [2].

International Accounting Standard (IAS 1) requires that financial statements present fairly for each financial year the Company’s financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board’s ‘Framework for the Preparation and Presentation of Financial Statements’.

In Nigeria, the time expected of a company to deliver its Audited report as specified by the Security and Exchange Commission (SEC) of ninety (90) days does not align with the provisions of CAMA (1990) as amended of maximum time of 180 days [i.e. six (6) months] (CAMA, 2020). However, it been observed that most deposit money banks do not comply with this time frame. The timeliness of the audited financial report will determine the time in which the bank will publish their audited financial report on the stock exchange for general appraisal, for potential investors and stakeholders. The issue of audit report lag could lead to CBN sanction, Loss of investors’ confidence, Devaluation of share price on the stock exchange, under mind target of international purposes, the state of health of the bank drops [3].

The need for timely financial reporting prompted global attention to establish standard requirements and recommendations for timeliness of published financial report [4]. However, most countries could not comply with the global standards due to differences in regulatory laws, business environment, norms and culture, technological advancement and so on. Thus, the bases for varied reporting date from country to country. Late or delayed disclosure of auditor’s opinion on the true and fair view of financial information intensifies the uncertainty in investment decisions. Audit delay is the single most significant determinant of timeliness in earnings announcement [5]. Abdulla [6] states that the longer the period between year end and publication of the annual report, the higher the chances that the information will be leaked to some interested investors.

The board of director has a large role to play on the timeliness of an audit report, examining two major responsibilities; the board independence and board diligence. Independence is the state or condition of being free from dependence, subjection, or control, not controlled by any outside factors including opinions and regulations. Alertness, dedication and industry shown continual effort to accomplish a task or in performance of a duty or obligation is known as Diligence. Due diligence is essentially a way of preventing unnecessary harm to either party involved in a transaction. For example, due diligence would be the necessary research and analysis of a Board undertaken in preparation for a business decision. Diligent board of directors would be more concern on the financial reporting aspects of the company.

Prior ARL research has relied exclusively on regression analysis of cross-sectional samples of companies from many industries. Also, others researchers have been focusing on manufacturing companies, panel data analysis is introduced and compared with cross-sectional analysis to demonstrate its power in dynamic settings and its potential to improve estimation.

The impact of corporate governance on audit report lag has not been consistent. Researchers like Ummi & Rashidah (2010) had a negative result while carrying out the research, on the other hand, Magdi (2008) had a positive result while carrying out the research work. On the contrary Arowoshegbe, Uniamikogo & Adeusi (2017) had both positive and negative result, positive result when using firm type and negative result when using size of the company and age of the company. Which leads to inconsistency in result provided.

This study aims at providing solution to this problem from the outlook of the board performance while examining the impact of board independence and board diligence on the timeliness of audit report in Nigeria. The study will be divided 2.0 (conceptual review, theoretical review, empirical review); 3.0 (methodology) 4.0 (data analysis and interpretation); 5.0 (conclusion)

2. LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Board independence

The significance of external directors has been identified at the level of strategy with codes of corporate governance giving a special focus to the required proportion of them on the board of listed firms. Results shows that well composed boards with the right combination of non-executive directors tend to give an impartial order in the recruitment of the members of the audit committee [7]. A board made up of equitable numbers of internal and external directors has high tendency to build an independent board than a management controlled by internal directors which will likely protect the interest of other stakeholders [8].

It is suggested that specific board characteristics strengthens the productivity of the board by increasing the timeliness of financial reporting, thereby reducing audit report lag. Boards comprising a major part of independent directors are more likely to improve the financial reporting quality of firms by hiring high quality auditors, employing an internal audit function within the firm, increasing audit committee effectiveness and engaging in higher levels of accounting conservatism [9]. It is expected that a larger board with independent directors are more efficient in executing their responsibilities, the collective experience and expertise of the board will increase [10] and such large boards are more likely to reduce the dominance of the management (Darryi & Senny, 2018).

2.1.2 Board diligence

One way to evaluate whether the board members play their roles in representing the shareholders is by observing the activities of the board. Activities of the board would reflect the board’s commitment in discharging its role as an agent in the company [11]. The board of directors is expected to have a firm grip on the company’s internal controls processes and heighten their vigilance in identifying, addressing and managing risks that may have a material impact on the financial statements and operations of the company. Diligent board of directors would be more concern on the financial reporting aspects of the company. Lipton & Lorsch, [12] Conger, [13] provided support that board of directors that meet frequently are more likely to discharge their duties well. This indicates good internal control mechanism. A board of directors in a company that has more frequent meetings would allow the board members to discuss identified problems, and this led to superior performance of the company [14,15] found that significant negative relationship between frequency of board meeting and timeliness of annual report for companies listed on the Nairobi Stock Exchange (NSE) in Kenya. This indicates that companies which hold meetings frequently published their annual reports earlier, increase the company’s performance and as an evidence of effective corporate governance mechanism.

The latest guide on corporate governance highlights that a typical board of directors would holds a minimum of 6 to 8 board meetings annually. With more frequent meetings, it would enable the auditors to rely more on the strong internal control of the companies and reduce their workload. Of consequence, this would lead to decreasing audit report lag.

2.1.3 Audit report lag

Basically, the idea behind audit report is for auditors to express an opinion on the truth and fairness of financial performance and position of the entity, thereby strengthening the users' confidence on the report for timely decision making. Audit report is an essential tool in financial reporting. However, the understanding of an audit report is preceded by the understanding of the word audit. Millichamp (2002) defined audit as an independent examination of the Financial Statements and underlying records of an enterprise by an independent auditor in accordance with the terms of his engagement and the expression of opinion on the examined statements and records of the entity, complying with all relevant Professional Requirements and Statutory Obligations that exist in the business environment.

Late or delayed disclosure of auditor’s opinion on the true and fair view of financial information intensifies the uncertainty in investment decisions. Audit delay is the single most significant determinant of timeliness in earnings announcement [5].

2.2 Theoretical Review

2.2.1 Agency theory

Auditing has a significant role to play in terms of monitoring agency contracts. This is because auditing role has a connection with both information asymmetry and conflicts of interests. This theory evaluates those issues that may occur between the agent and the principal such as conflict of interests, management problems and so on, which could lead to audit reporting lag. This theory evaluates those issues that may occur between the agent and the principal such as conflict of interests, management problems and so on, which could lead to audit reporting lag. Agency theory is a principle that is used to explain and resolve issues in the relationship between business principals and their agents.

Most commonly, that relationship is the one between shareholders, as principals, and company executive, as agents. The theory of agency was originated from Stephen Ross and Barry Mitnick in 1973. Ross introduced the economic theory of agency; Mitnick established the institutional theory of agency, but both approaches can be seen as complementary in their uses of similar concepts under different assumptions. The adoption of this theory is in line with the works of Arowoshegbe, Uniamikogbo & Atu [16,17] Chai, Ng, Tong, Lim, Ngen [18].

3. METHODOLOGY

This research used ex-post facto evaluating data gathered from annual report and audited financial statements for the year ended December 31st of some Deposit Money banks listed on the Nigerian Stock Exchange (NSE) from 2008 until 2017. This hypothesis testing will further examine analysis on board independence, board diligence and audit report lag in listed Deposit Money Banks in Nigeria. The population of the study consist of 33 listed deposit money banks on the Nigerian Stock Exchange as at 31st December, 2021. This research used convenience sampling technique to select the sample, and a sample size of 10 listed money deposit banks in Nigeria. This sample size takes into consideration that it covers over 10% pf the total population.

The statistical tool used for analyzing the data collected for the purpose of the study comes in four folds:

i. Descriptive statistic to describe or summarize the features of the data set.
ii. Correlation analysis to study the strength of a relationship between the variables.
iii. Objective one and two would be achieved using panel ordinary least square regression.

3.1 Model Specification

This research adapted the econometric model of Hashim & Abdul Rahman [30] to examine board independence, board diligence and audit report lag.

ARL =0 +1BDINDs+2BDIL+3BDEXP +4SIZE+ 5AUDTYPE+6PROF + ε it, Notes:

BODIND = proportion of the independent non-executive director to total number of directors
BODDIL = number of board meeting
BODEXP = average number of outside directorships in other firm held by independent directors
SIZE= Board size
AUDTYPE = „1" if audited by Big-4, „0" if otherwise
The model for this study is as follows:

ARL= βo + β1Board Independenceit + β2Board Diligenceit + β3Firm Sizeit + β4FirmAgeit + u (1)

ARLit= β0 + β1BINDit + β2BDILit + β3FSIZEit + β4FAgeit + u--------- (2)

Where ARL= Audit Report Lag
BIND= Board Independence
BDIL= Board Diligence
FSIZE= Firm Size
FAGE=Firm Age
β0= Constant intercept
β1, β2, β3, β4 = Coefficient of the independent variable

3.2 Measurement of Variables

3.2.1 Dependent variable

Audit Report lag was measured by the number of days from the company's fiscal year end to the audit report date.

Table 1. Empirical review

Author(s)/ Years	**Objective**	**Methodology Used**	**Findings**
Ahmad, Siti and Muhammad	to find out the effect of audit committee and board characteristics to audit report lag	multiple regression model	board size has significant effect to audit report lag, while audit committee size, audit committee independent, board independent, and board meeting variables do not have significant effect to audit report lag.
Pradipta and Zalukhu [19]	aimed to obtain empirical evidence about the influence of specialized auditors, audit tenure, audit committee, board independence, ownership concentration, and auditor quality on audit report lag	Multiple linear regressions	specialized auditors, board independence, ownership concentration and auditor quality all have an influence on audit report lag. Meanwhile, audit tenure and audit committee do not have an influence on audit report lag.
Majiyebo, Okpanachi, Nyor, Yahaya, & Mohammed [20]	This study examines the effect of audit committee independence and size on financial reporting quality of listed deposit money banks in Nigeria.	This study adopts correlational research design to examine the relationships as well as the effect of the audit committee independence and size on the financial reporting quality of listed deposit money banks in Nigeria.	This study discovers how the two audit committee characteristics (independence and size) influence financial reporting quality of listed deposit money banks in Nigeria for the period from 2007-2016
Akingunola Soyemi & Okunuga, [21]	The objective of this study is to see the impact of external factors on the audit report lag.	The study used OLS regression analysis. The time period of the study is significant as it includes high-profile audit scandals in Nigeria and abroad.	The audit report lag of listed companies undermines the usefulness of financial information for decision making. Therefore, this study has examined the influence of client attributes (i.e. firm size, audit firm type, company age and profitability) on the audit report Lag of listed firms in Nigeria.
Agyei-Mensah, [22]	This paper investigates selected corporate governance (CG) attributes and financial reporting lag and their impact on financial performance of listed firms in Ghana.	Descriptive statistics, Univar ate analysis, regression analysis	The descriptive statistics indicate that over the three years, the mean value of timeliness of financial reporting (ARL) is 86 days (SD 21 days), minimum is 55 days and maximum is 173 days.
Mwangi, [23]	This study was to establish the effect of audit committee characteristics on quality of financial reporting in non-commercial state corporations in Kenya.	The study adopted descriptive research design and the target population. Also, the methodology adopted on data collection and analysis which Assisted in achieving the research objectives is outlined and discussed.	This study sought to establish the effect of audit committees on quality of financial reporting in non-commercial state corporations in Kenya
Arowoshegbe,	1. To investigate the impact of audit	The quasi-experimental design method	Findings revealed that audit firm type, size of the

Author(s)/ Years	**Objective**	**Methodology Used**	**Findings**
Uniamikogbo, & Adeusi [16,17]	firm switches on timeliness of an audit report. 2. To determine the impact of audit firm type on timeliness of an audit report. 3. To determine the impact of age of the firm on timeliness of an audit report	was used. The Panel Data technique was employed in the econometric analysis. The Ordinary Least Square (OLS) regression technique was used to analyze the data.	company, and age of the company are factors that affect timeliness of audit report in Nigeria.
Adebiyi, [24]	This study therefore, explored the extent at which the board composition influence the financial reporting quality of Banks in Nigeria.	The data were analyzed and results estimated using Ordinary Least Square (OLS) Regression which was complimented with the panel data estimation technique.	This study has established the fact that board composition is a key component of the quality of financial reporting quality of the listed Deposit Money Banks in Nigeria.
Zubair, [25]	The specific objectives of the study are to evaluate the impact of components of Audit Committee on return on assets, net interest margin, Tobin's Q, financial standard compliance, and investors' confidence of Deposit Money Banks in Nigeria.	The study employs qualitative and quantitative research methods using correlation and survey research designs.	The study as well discloses that holding excess assets by the banks reduces profitability, and that the opinion of the Audit committees' discussions enhances the quality of managements' decision making.
Yekini, Adelopo, Andrikopoulos & Yekini, [26]	This study investigates the link between board independence and the quality of community disclosures in annual reports	Descriptive Statistics, Correlation Matrix, Regression Results	This finding offers important insights to policy makers who are interested in achieving optimal board composition and furthers our understanding of the firm's interaction with its corporate and extended environment through high-quality disclosures
Azubike & Aggreh, [27]	This study is to examine the determinants of audit report timeliness in Nigeria. Specifically, the study examines the effect of company size, profitability, complexity and audit firm type on audit report timeliness.	The ordinary least squares (OLS) regression technique was utilized as the method of data analysis.	The finding of the study shows the following; (i) A significant relationship exist between board size and Audit report lag (ii) A significant relationship exists between board independence and Audit report lag
Singh & Sultana, [28]	Objective of this study is to determine whether board of director (board characteristics) impact the audit report lag of Australian public listed firms.	Descriptive statistics. Sample selection, Industry breakdown, Correlation	Findings from this study clearly imply that board plays a substantial role in reducing audit report lag.
Mohamad, Mohamad, Rohami & Wan, [29]	To examine the relationships between audit committee characteristics and the timeliness of audit reporting. The	Sample Selection	fail to find evidence that audit committee independence and expertise are associated with the timeliness of the audit report.

Author(s)/ Years	Objective	Methodology Used	Findings
	characteristics of an audit committee that we examined are size, independence, expertise and frequency of meeting.		
Ilaboya & Iyafekhe, [8]	(1) examine the effect of the board of directors size on audit report lag; (2) observe the impact of firm size on audit report lag; (3) ascertain the effect of the audit firm type on audit report lag; (4) investigate the influence of the audit committee size on audit report lag; and (5) assess the impact of Audit committee independence on audit report lag.	Data were analyzed using descriptive statistics correlation and ordinary least square regression.	1. We found a positive and significant relationship between AUDSIZE and Audit report lag having reported a positive coefficient of 0.64 and t-value of 2.00 as expected. 2. Board independence was found to have a negative and insignificant relationship with audit report lag. The variable reported a t- value of 1.28 and a negative coefficient of -0.4.

3.2.2 Independent variable

Board Independence: was measured using the proportion of non-executive director to the executive director.

Board Diligence: was measured using Board Meeting Frequency denoted as the number of board meetings for the financial year.

3.2.3 Control variable

Firm Size: was measured using the natural log of total asset for a year.

Firm Age: was measured using the existence of the banks.

4. DATA PRESENTATION AND ANALYSES

4.1 Preamble

This section analyses the model of the study, discussing the empirical results of the descriptive statistics, correlation analysis, OLS regression results for the impact of board independence and board diligence on audit report lag in listed deposit money banks in Nigeria, with research findings and implications.

4.2 Descriptive Analysis

Table 2 shows the summary statistics of the data series for this study. These statistics cover measures of central tendency such as mean, maximum, and minimum; which are used to describe data with respect to its central values (mean, maximum, and minimum). Statistics such as standard deviation, skewness, and kurtosis are included in the table; which are used to explain dispersion of a data. Standard deviation measures dispersion of a data series around its central values. Skewness measures the departure of a data series from symmetry; which can be used to understand whether a statistical analysis can make use of parametric analysis. Kurtosis measures peak of a data series. This helps to understand if there are outlier values in a data series. A kurtosis value greater than 3.0 indicates peaked data distribution with outlier values.

From the results obtained, it is observed audit reporting lag (ARL) of the banks averaged 94.38 (approximately 94) days. Maximum value reveal that the highest audit reporting lag among banks in Nigeria was 660days; while the lowest audit lag is 2days. Standard deviation value (74.70) is high, and i+t indicates that audit reporting lag among Nigerian banks is low. Kurtosis value (35.14) is higher than 3.0 to suggest that there were outliers in reporting audit lag among Nigerian banks over the 10year period. This further reveal that while there were high audit reporting lags among some Nigerian banks, majority of the banks recorded low audit reporting lags.

Table 2 also shows that board independence (BIND) of Nigeria banks between 2008 and 2017 averaged 8.14. The firms highest and lowest board independence are 13 and 3. Standard deviation value (1.948) is low, which indicates high board independence among Nigerian banks. Kurtosis value (2.6206) is lower than 3.0, and it indicates there were no board independence outlier values, as most of the banks in Nigeria employed high board independence.

Table 2 also reveals that board meeting averaged 5.87 days (approximate 6 days); while lowest board meeting is 2days, while highest board meeting is 12days. Standard deviation value (2.063) is moderate, which suggests that days of board meeting among banks in Nigeria were low. Kurtosis statistic (4.329) is higher than 3.0; which indicates that most of the banks had low days of board meeting.

Table 2. Descriptive statistics

Statistics	ARL	BIND	BDIL	FSIZE	AGE
Mean	94.3800	0.607968	5.870000	27.80485	40.30000
Maximum	660.000	0.916667	12.00000	29.28668	123.0000
Minimum	2.00000	0.187500	2.000000	25.43263	16.00000
Std. Dev.	74.70275	0.144799	2.062924	0.895460	30.35830
Skewness	5.008524	0.276291	1.167392	-0.467131	1.684110
Kurtosis	35.41416	3.328528	4.329642	2.501642	4.691766
Jarque-Bera	4795.912	1.721992	30.07987	4.671701	59.19575
Probability	0.0000	0.422741	0.000000	0.096728	0.000000
Observations	100	100	100	100	100

Source: Author's Computation (2020)

Bank size averaged 27.8; and recorded highest usage and lowest values of 29.0 and 25.0, respectively. Standard deviation (0.895) is minimal. Kurtosis value (2.501) is l ower than 3.0, and thus indicates there were no outlier usage value of bank size in Nigeria during these years. From the foregoing, it is understood that banks in Nigeria recorded high growth at a regular pace.

Bank age averaged 40.3 years; and recorded highest usage and lowest values of 123years and 16years, respectively. Standard deviation (30.358) is high. Kurtosis value (4.691) is higher than 3.0. This indicates that most of the banks in Nigeria are young banks, with very few old ones. The data series for the study are not symmetric as revealed from the skewness values obtained. However, none of the values exceed 2.0 and -2.0, which suggests that the data series can be analyzed using parametric statistics.

4.3 Correlation Analysis

Table 3 shows the relationship among the data series. It also checks for multicollinearity among the data series. Harold and Averkamp (2004) says that a correlation coefficient lower than 0.8 indicates absence of low multicollinearity among the data series. The correlation coefficients obtained reveal that audit committee lag has positive relationships with board independence (0.0694), bank age (0.2217) and board meeting (0.1340), but correlates negatively with bank size (-0.2934). Board independence has a negative relationship with board meeting (-0.00995), and bank size (-0.2309); but has a positive correlation with bank age (0.1240). Board meeting has positive relationship (0.2111) with bank age, and a positive relationship (0.0490) with bank size. Lastly, bank size has a positive (0.0578) with bank age. From these results, there is evidence of low multicollinearity among the data series for the study.

4.4 Presentation and Interpretation of Results

4.4.1 Interpretation and analysis of regression results

Table 4 shows the impact of board of directors (measured by board independence and board meeting), bank size, and bank age on audit reporting lag of ten listed deposit money banks for a period of ten years (2008-2107). The F-test has a probability value of 0.0000, which is statistically significant at 5% level. This shows that the model is statistically significant. The R-squared and adjusted R-squared statistics report values of 0.594173 (59.41%) and 0.577085 (57.70%). This indicates that the exogeneous variables (board independence, board meeting, bank size, and bank age) explained 57% of total changes in audit reporting lag of banks in Nigeria. The Durbin-Watson statistic reports a value of 2.082502; which suggests that there is absence of serial correlation in the model.

Results from the parameter estimates show that board independence has a coefficient of -0.040660, and a probability value of 0.4669. This indicated that board independence had negative but insignificant impact on audit reporting lag of banks in Nigeria. Board meeting had a coefficient value of 0.265069, and a probability value of 0.0000. This revealed that board meeting has significant positive impact on audit reporting lag of Nigerian banks. Bank size had a coefficient of -0.080129, and a probability value of 0.1586. This suggested that bank size had an insignificant negative impact on audit reporting lag of banks in Nigeria. Lastly, bank age had a coefficient value of 0.249462, and a p-value of 0.000. This indicated that bank age impacted positively on audit lag of banks in Nigeria.

Table 3. Correlation analysis

Variables	ARL	BIND	BDIL	FSIZE	AGE
ARL	1.0000	0.0694	0.1340	-0.2934	0.2217
BIND	0.0694	1.0000	-0.0995	-0.2309	0.1240
BDIL	0.1340	-0.0995	1.0000	0.0490	0.2111
FSIZE	-0.2934	-0.2309	0.0490	1.0000	0.0578
AGE	0.2217	0.1240	0.2111	0.0578	1.0000

Source: Author’s Computation (2020)

Table 4. OLS regression results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.303365	0.142371	23.20258	0.0000*
BIND	-0.040660	0.056036	-0.725596	0.4699
BDIL	0.265069	0.039746	6.669146	0.0000*
FSIZE	-0.080129	0.056385	-1.421102	0.1586
AGE	0.249462	0.018547	13.45049	0.0000*
		Weighted Statistics		
R-squared	0.594173	Mean dependent var		5.302153
Adjusted R-squared	0.577085	S.D. dependent var		23.69765
S.E. of regression	0.980217	Sum squared resid		91.27845
F-statistic	34.77243	Durbin-Watson stat		2.082502
Prob(F-statistic)	0.000000			

Source: Author's Computation (2020)
Note: (*) indicate significance at 5%

5. CONCLUSION

This study carried out an empirical investigation into the impact of board independence and board diligence on audit lag of deposit money banks in Nigeria. Results from this study show that board independence exerted negative impact on audit reporting lag of Nigerian banks. This implies that increase in board independence contributes to decrease in audit reporting lags of banks in Nigeria. These results are consistent with Ilaboya and Iyafekhe [8] who found an insignificant negative relationship between audit lag and board independence among corporations in Nigeria. Also, Majiyebo, Okpanachi, Nyor, Yahaya and Mohammed [31] found that board independence contributed to decrease in audit lag. However, it was observed that board meetings impacted insignificant negative impact on audit lag of banks in Nigeria. This indicates that plenty board meetings increase financial disclosure lag. That is, the more times a board meets, the larger their audit report lag which is a negative relationship in essence. Bank size impacts positively on audit lag of Nigerian banks, while bank age impacts positively on audit lag of banks in Nigeria. These results are consistent with findings in the literature [32]. Agree that firm size impact negatively on audit lag.

Findings suggests that inclusion of non-executive board members on board of banks in Nigeria help to reduce their lag of financial disclosure. Also, findings indicate that numerous meeting periods reduces early disclosure of financial information to the public. It becomes imperative that optimal board meetings should be engaged among corporate organizations, so as to minimize audit lags.

6. RECOMMENDATIONS

From the foregoing, the following recommendations are reached:

i. Corporate organizations in Nigeria should adopt optimal board size that promote early financial disclosure.
ii. Board independence should be encouraged by corporate organizations because it brings reduces audit lags.
iii. Corporate organizations should reduce their board meetings, so as to ensure quick financial decisions among board members, which is an impetus for achieving early audit disclosure.
iv. Security and Exchange Commission should engage in more supervision among corporations in Nigeria who engage in audit lag as a measure of engaging in earnings management.
v. Corporations in Nigeria should be made to pay heavy penalty for audit report lag

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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