Online Journal of Arts, Management and Social Sciences (OJAMSS); Vol.3 No.1, April 2018, pg.126 –136 (ISSN: 2276 – 9013)

EFFECT OF BOARD CHARACTERISTICSON TIMELINESS OF FINANCIAL REPORTING OF LISTED INSURANCE FIRMS IN NIGERIA

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Abstract
The study examined the effect of board characteristics on timeliness of financial reporting of listed insurance firms in Nigeria for the period 2011-2016 The study used correlational research design. The source of data which were collected from the published annual financial reports of studies listed insurance firms in Nigeria. The population of the study comprised of the 28 listed insurance firms. The sample size was fifteen (15) listed insurance firms in Nigeria. The data collected were analyzed with the aid of GLS multiple regression technique. Using 90 firm-year paneled observations, the result of the random effect showed that board size has a positive and significant effect on the timeliness of financial reporting of listed insurance firms in Nigeria. Also, board meeting has a significant effect on timeliness of financial reporting. Based on the findings, the study recommended that the shareholders of listed insurance firms should ensure that the board has a reasonable large amount of members as it has been revealed that a larger board will reduce the delay of releasing the financial reports. Moreover, the meeting held by the directors should be reduced so that the executive directors can focus well on their managerial responsibilities.

Keywords: *financial reporting, board meeting, board independence and board size*

Introduction

Timeliness is one of the qualitative characteristics of financial reporting which determines the relevance of the information in the financial reports. Information contained in the financial reports becomes less relevant for decision making as time passes (Efobi & Okougbo, 2015). The only means through which the investors and other market players can assess the activities of the firm before taking any investment decision is through the financial reports (Li, Zhang & wang 2014). Thus, it has to be released on time. Similarly, professional accountants, auditors and other regulators have recognized timeliness of financial report as a key attribute of financial reporting quality (McGee & Tarangelo, 2008). Financial information has to be made available in a timely manner so that the users can have access to it whenever they are in a position to make decision (Appah & Emeh, 2013). Any delay in releasing the financial reports will give access to some set of investors, primarily those who are wealthy or influential to acquire costly private unreleased information. Hence, this will enable these "well-informed" investors to exploit their private information at the expense of the "less-informed" investors (Afify, 2009). Therefore, annual financial reports have to be released on time so as to reduce insider trading, and rumors among emerging capital markets (Kamran 2003).Generally, producing timely accurate financial reports helps to build trust and confidence in governance.

In ensuring timeliness, attention needs to be given to accuracy because of the tradeoff between timeliness and accuracy. A firm might be timely in releasing its annual financial reports but the required information might not be available in such reports. The accuracy of information also constitutes to the quality of the reports. Consequently, if the firms are providing substandard information in order to meet up with the stipulated deadline, it means that the goal of the Security and Exchange Commission is still not achieved in the preferred manner (Bryant-Kutcher & Peng, 2006). Recently, the insurance companies in Nigeria have been exposed to huge amount of fine as a result of their noncompliance to filing their financial reports before the due date stipulated by the SEC. For instance, the firms were sanctioned huge sum of money by the Nigeria Stock Exchange (NSE) for late submission of their audited annual financial reports. This has been a serious concern to the shareholders of the affected companies. Because, the fine paid to the commission had effect on their returns.

The SEC which is the regulator of Nigeria stock market sets March 31 for every listed firm to submit its audited financial reports ended on December 31 in the previous year. Furthermore, Companies and Allied Matters Act CAMA (1990)as amended also stipulates all listed firms to make their audited financial reports ready to the users three (3) months after their financial year end. However, firms make presentation of their financial reports take much longer than this date (Modugu, Eragbe & Ikhatua 2012). Moreover, National Insurance Commission (NAICOM) also sets 30th of June for every insurance firm to submit their annual financial report. In spite of these, few listed insurance firms only meet up with the deadlines, while the remaining firms submit their reports after the deadline dates. According to SEC, early filers are those firms that submit their financial reports four (4) weeks before the deadline. The SEC compliance reports showed that out of the 28 listed insurance firms on the stock exchange, none of these firms submitted four weeks before the deadline, its financial reports for 2014, 2015 and 2016 financial year end.

Moreover, the code of corporate governance also requires the board to ensure timeliness, accuracy and continuous disclosure of information and activities of the company. This is because timeliness of financial reports is a crucial quality of financial information, and its delay may lead to costs to the investors and the relevant users (Brown, Dobbie, & Jackson, 2009). Therefore, the board of directors has to take interest in timely filing of their annual financial reports, as failure to do so indicate the failure of the board. Despite these provisions, the insurance firms continue to be noncompliant. This has been an issue of concern to the financial players, as the financial reports are vital for making informed decisions. This issue can be attributed to the challenge faced by the insurance firms in preparing and presenting their accounts since after the adoption of International Financial Reporting Standards (Thisday, 2017).The board of directors has the crucial responsibility to ensure that corporate governance is executed in the company in order to mitigate this issue. In today's corporate environment, selfless board of directors, well-functioning audit committee, a balanced ownership structure, and an independent external auditor are what make up good governance (Habbash2010).According to Mohamad-Nor, Rohami, and Wan-Hussin (2010) and Saidi (2011), effective corporate governance is important for a sound financial system to be established. Efficient communication, monitoring and coordination within the board are necessary in order to have early filing of the financial reports, (Wu, Wu, & Liu, 2008).

Several studies have been conducted on timeliness of financial reports both in developed and developing countries using firm's characteristics as the independent variable. For instance, Iyoha (2012), Al-tahat (2015), Adebayo and Adebiyi (2016), However, few studies were conducted using corporate governance variables to determine the timeliness of financial reports (Nehme, Assaker, & Khalife, 2015).Thus, studies such as, Abdelsalam and Street (2007); Clatworthy (2010); Mohamad-Nor et al. (2010); Shukeri and Islam (2012); Nelson and Shukeri, (2015); Ilaboya and Christian, (2014); Appah and Emeh, (2013); McGee and Yuan, (2012); Li et al., (2014)provided evidence on the effect of corporate governance variables on the timeliness of financial reports, but the results of their studies were inconsistent. Though in Nigeria, Ilaboya and Christian (2014); Ibadin, Izedonmi, and Ibadin, (2012) examined the effect of corporate governance attributes on the timeliness of corporate financial reports, but have based their conclusions from cross sectorial analysis without adequately controlling for sectorial heterogeneity which makes there results unreliable. In addition, the time lag of the studies necessitates a replication of the study. This is because of some events that have taken place after the period considered in the studies.

Moreover, very few studies have been conducted in the financial sector, for instance, Ahmed and Che-ahmad (2016); Akhor & Oseghale,(2017). These studies were carried out in the banking sector using audit committee attributes and some selected board attributes as the independent variables. Though, the banking and insurance firms are both financial institutions, but the findings of the banks cannot be extrapolated to the insurance firms because of industry regulations, policies and other sectorial environmental changes. Moreover, the operations of the banks and insurance firms are based on different models that lead to some notable contrasts between them (Thangavelu 2015). It is in recognition of this that it is deemed imperative to specifically examine the effects of board characteristics (proxied by board meeting, board independence and board size) on timeliness of financial reporting of listed insurance firm in Nigeria. The motivation of this study is due to the persistent delay by the insurance firms in releasing their financial report. This has been a persistent issue that has exposed them to paying a huge amount of money as fine to the regulatory bodies, and it is really having a great effect on the return of the shareholders (Vanguard 2017). This is why it is the objective of the study to examine the effect some selected attributes of board of directors will have on timeliness of financial reporting of listed insurance firms in Nigeria for the period 2011-2016. The researcher therefore hypothesized that board characteristics do not have a significant effect on timeliness of financial reports of listed insurance firms in Nigeria. The practical outcome of the study is expected to be of benefit to policy makers or regulators to enable them know which attributes of board of directors need to be intensified in order to mitigate delay of financial reports. The existing and potential investors will also find it useful as it will help them know if the company is complying with their filing requirement because noncompliance can be detrimental.

The remainder of the paper is organized as follows: section 2 presents relevant extant studies. Section 3 discusses the methodology employed for the study. In section 4, the results of data analysis are presented and discussed. Section 5 concludes the study by highlighting the finding and its policy implications.

Literature Review

This section reviews relevant studies on board characteristics and timeliness of financial reports.

Board Size and Timeliness of Financial Reports

Ahmed and Che-ahmad (2016) investigated the effects of corporate governance characteristics on Audit Report Lags in Nigeria. The independent variable (corporate governance characteristics) was proxied by audit quality, board size, audit committee size, risk committee size, board committee expertise, board meeting and board committee gender. The study analyzed 14 banks for the period of 2008-2012.Panel data technique of analysis was employed and it was found that board size has positive and significant relationship with audit report lag.

Fakhfakh and jarboui (2016) researched on determinant of audit reports timeliness in Tunisia. The study used panel data methodology and this was applied to 28 firms listed on the Tunis stock exchange for the period 2006-2013. External audit characteristics, board size, board independent, CEO duality, and ownership structure were used as the determinants. Agency theory was used to underpin the study. Using the regression analysis, the result of this study revealed that board size significantly affects timeliness of audit reports. It is on the basis of the finding that the study concluded that good corporate governance plays a key role in improving the quality of timeliness of financial reports. The finding was also consistent with Basuony, Mohamed, Hussain and Marie, (2016)who examined board characteristics, ownership structure and audit report lag of 11 Middle Eastern countries. The study was carried out in the non-financial sector using 201 listed firms for the period 2009 to 2013. However, the above studies were conducted in other countries which according to Li and Liu (2014) suggested that differences in economies is a significant gap in the literature. Therefore, undergoing a similar research in Nigeria is an important contribution to the body of knowledge.

Fujianti (2016) analyzed market reaction on timeliness of financial reports in Indonesia. The analysis was implemented on a sample of 96 companies listed on the Indonesian stock market for 2013. Using the logistic regression, the result of the study revealed that board size is not significant to timeliness of financial reports. In line with this finding is that of Ibadin et al (2012) who examined the association between selected corporate governance attributes, corporate attributes and timeliness of financial reports in Nigeria. A sample size of 118 listed firms on the NSE was selected for the period 2010. Board independence, board size, company size, leverage, profitability, audit firm size and audit delay were used to proxy the independent variable while the timeliness of financial report was proxied by total delay. The study recommended that In achieving the reduction of the timeliness to the barest minimum, the NSE, SEC, the Financial Reporting council, the Central Bank of Nigeria and other regulatory bodies should put in place measures to ensure strict compliance with the laid down rules and regulations. However, these studies only examined one accounting period which makes the result inconclusive as the effect of the variables cannot be determined using one period. Moreover, the studies based their conclusions from cross sectorial analysis without adequately controlling for sectorial heterogeneity. Therefore there is a need to replicate the study using larger period.

Garkaz, Abdollahi, Niknam, and Branch (2016)investigated the effect of board characteristics on timeliness of financial reporting in Nairobi. The study used board independence and board size to proxy board

characteristics and audit report to proxy timeliness of financial reports. Sample size of 107 listed firms on the Nairobi stock exchange was used for the period 2012-2014. Result multiple regression analysis showed that board size has a positive and significant relationship with the timeliness of financial reporting.
Ilaboya and Christian (2014)examined Corporate Governance and audit report lag in Nigeria. The study used descriptive statistics, correlation and Ordinary Least Square, (OLS) regression to estimate the effect of corporate governance on audit report lag of forty (40) listed manufacturing firms on the NSE for the period 2007-2011. Board size, audit firm type, firm size, board independent and audit committee size were used to proxy corporate governance. The result of the regression showed that board size has a significant effect on audit report lag. The study recommended that board Size should not be too large, specifically, maximum of nine (9) members. This would assist in facilitating quick decision in relation to audited financial statement for disclosure.
The study of Clatworthy and Peel (2010) also established the Influence of governance on the Timeliness of Financial Reporting in United Kingdom. The study employed ordinary least square and found that the size of the board and the presence and quality of an auditor all enhance financial reporting timeliness. In line with these studies is Appah and Emeh (2013) who researched corporate governance structure and timeliness of financial reports in Nigeria. The analysis was implemented on a sample of 35 firms listed on the NSE for the period 2007-2011. Board independence, board size, board expertise and knowledge, board experience and CEO duality were used to proxy corporate governance structure, while timeliness of financial reports was proxied by audit report lag. Multiple regression was employed to carry out the analysis, and it was found that there is a significant relationship between board size and timeliness of financial reports. The study recommended that quoted companies should ensure that corporate governance codes are used in the day-to-day operations of corporation to achieve short, medium and long-term goals; government should ensure that regulatory agencies monitor the activities of corporations to ensure compliance with best practice
In negation to the results of the studies above, a study carried out by Mohamad-Nor et al (2010) investigated corporate governance and audit report lag in Malaysia. Multivariate analysis was applied on 628 annual reports for the year ended 2002.It was found that board size is statistically not significant to audit report lag. Furthermore, Li et al (2014) researched the influence of corporation governance structure on internal control audit report lag in China. Regression analysis was implemented on 1244 firms for the period 2008-2011. The result showed that board size hardly exerts influence on internal country audit report lag. However, no theory was used to underpin the studies. The inconsistencies in the literature show there is need for further study to be conducted.

Board Meeting and Timeliness of Financial Reports
Studies that have examined the relationship between board meeting and timeliness of financial reports are few, both foreign and local literatures were reviewed. In the study of Li et al (2014) investigated board meeting with other corporate and board attributes in Nigeria. Ordinary least square technique was employed for analysis, and result revealed that board meeting does not have effect on timeliness of financial reports. This finding is consistent with Appah and Emeh 2013) who examined corporate governance structure and timeliness of financial reports in Nigeria. The study employed ordinary least square on 118 listed firms on the NSE for the period 2007- 2011. However, none of these studies used theory to underpin the study
In contrary, the study of Ahmed & Che-ahmad (2016)investigated the effect of corporate governance characteristics on Audit report lag in Nigeria. The study analyzed 14 banks listed on the NSE for the period 2008-2012. Panel data technique was used for analysis and the study revealed that board meeting have significant positive relationship with audit report lag. The inconsistencies in the literature shows there is need for further study to be conducted.

Board Independence and Timeliness of Financial Reports
Foreign studies have documented a strong relationship between board characteristics and timeliness and financial reports. Garkaz et al (2016)examined the effect of board characteristics on timeliness of financial reporting in Nairobi. Board independence and board size were used to proxy board characteristics while audit report lag was used to proxy the dependent variable (timeliness of financial reports). The study analyzed 107 listed firms for the period 2012-2014. Multiple regression analysis was adopted, and the result showed that there is a significant relationship between board independence and timeliness of financial reports. Fujianti, (2016) in Indonesia, investigated market reaction on timeliness of financial reporting of listed firms for the period 2013. The study applied logistic regression and the study showed that board independent has effect on the timeliness of financial reports. However, the result of this study cannot be generalized because only one accounting period was studied.

Basuony et al, (2016) examined Board characteristics, ownership structure and audit report lag in 11 Middle Eastern countries. The independent variables (board characteristics and ownership structure) were proxied by board size, board independent, CEO duality, director ownership, own concentration, foreign ownership and institutional ownership. The analysis was implemented on 201 firms for the period 2009-2013. Ordinary least square and ridge regression were used for the analysis of the study. The result of the study showed that board independence is significant to audit report lag. Finding is also in line with Ahmad and Daoud, (2015) whose study was conducted on the impact of internal corporate governance on the timeliness of financial reports in Jordan. Board independence, board size, CEO duality, board diligence, board financial expertise were used to proxy internal corporate governance while management and audit report lag were used to proxy timeliness of financial reports. The study analyzed 112 firms listed on the Jordanian stock exchange for the period 2011 and 2012. Analysis of the multiple regressions showed that a board that is independent from management takes a significantly shorter time to prepare and issue their financial reports. However, since differences in economy is a significant gap in literature, therefore the need to replicate same studies in Nigeria.
Similarly in Nigeria, Appah and Emeh,(2013) examined corporate governance structure and timeliness of Financial Reports in selected Nigeria listed firms. Analysis was implemented on 34 listed firms on the NSE for the period 2007-2011.Board independence, board size, board expertise, board experience, CEO duality and board meeting were used to proxy the independent variable (corporate governance) while audit report lag was used to proxy timeliness of financial reports. Result of the multiple regression model showed that there is a significant relationship between board independence and timeliness of financial report. The study recommended that that listed firms should ensure that codes of corporate governance are used in the day-to-day operations of the firms to achieve short, medium and long-term goals. However, the study did not take into consideration, the heterogeneity of selected samples.
In contradiction, Ilaboya and Christian, (2014) investigated corporate governance and audit report lag in manufacturing firms listed on NSE for the period 2007-2011. Ordinary least square regression was employed for analysis of data. The result of the analysis showed that board independence has no significant effect on audit report lag. Also, the study recommended that board independence should be constituted by persons of integrity that can match words with action and foster prompt financial disclosures for the interest of the shareholders whom they represent. Ibadin et al., (2012) also found the same result after investigating the association between corporate governance and corporate attributes of selected firms quoted on the NSE. Ordinary least square regression was applied on 118 sampled firms for the period 2010. The result of the analysis showed that board independence is not significant to the timeliness of financial reports. The study recommended that companies should put in place measures of reducing the time lag between the financial year end and the Annual General Meeting (AGM).

Theoretical Framework

This section explains the related theories on which the study is based. There are a number of theoretical perspectives which are used in explaining the relationship between board characteristics and timeliness of financial reports. The agency and stakeholders theories are used to underpin the study.

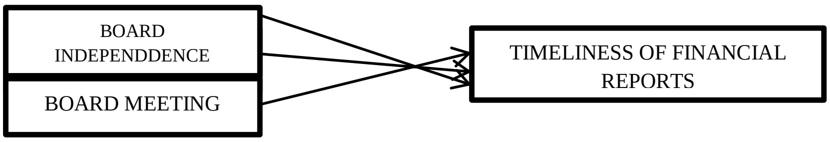
Agency Theory

Agency relationship involves the contractual agreement under which the principal employs another party who is the agent, to perform some services on his behalf, and some power of decision making are vested to the agent (Jensen & Meckling, 1976). In the real world scenario, the agent is the management who runs the activities and makes decisions, while the principal or shareholders are parties that assess how the agent behaves towards the activities the principal entrusts them with. According to Brennan (1995), agency problem may arise if the agent fails to act in the best interest of the principal. It happens in a company when the management (agents) has incentive to achieve their own interests at the expense of the shareholders (Agrawal & Knoeber, 1996) and will act in an opportunistic way to maximize their rewards. The delay in releasing the financial report can make investors lose confidence in the report and increase the agency problem (Ilaboya & Christian, 2014). That is why corporate governance mechanisms (corporate ownership structure, board of directors, auditor and audit committee) were established to reduce the conflict in companies (Yunos, 2011; Habbash, 2010). Therefore, company's board of directors has to act in the interest of the shareholders by ensuring timeliness in releasing the financial reports so as to mitigate the problem.

Stakeholder Theory

Harrison, Freeman, & Sa de Abreu, (2015) defines a stakeholder as "any group or individual who can affect or is affected by the achievement of the firm's objectives. Stakeholder theory is based on the notion that beyond shareholders, there are several agents with an interest in the actions and decisions of companies (Antonelli, D'Alessio & Cuomo, 2016).Stakeholder theory can be viewed to be an extension of the agency view, which believes board of directors are to act in the best interest of the shareholders. However, the emphasis on shareholders has been expanded to take into account the interests of different stakeholder groups (Freeman, 1984; Freeman, Wicks & Parmar 2004). Thus, board of directors has to give consideration to the stakeholders in the discharge of their responsibilities. In order to satisfy the various stakeholders, information should be available to them as at when required. This is because the action of the company is something that affects them too.

Figure 2.1



The above theoretical framework explains the relationship between Board Characteristics and Timeliness of financial reports.

3.1 Methodology

The study adopted the correlational research design. The design is informed by the research paradigm which is the positivism approach. The population of the study comprised of all the twenty-eight (28) insurance firms listed on the Nigeria stock exchange (NSE) and sample size is fifteen (15).The sampling technique is based on these criteria:

i. The firm must be listed on the NSE one (1) year before 2011.
ii. Firm must not be delisted during the period of study
iii. Availability of data in the annual financial reports of the firms for the period under study i.e., 2011-2016.

The financial data used for the study is secondary in nature obtained from the annual reports. Panel regression analysis was employed based on the fact that the study involves the use of both time series and cross sectional data. The independent variables considered are board size, board independence and board meeting, while the dependent variable is timeliness of financial reporting.

Variables Measurement and Model Specification

Dependent Variable

The timeliness of financial reports is measured as the number of days from the financial year end to the date the statutory auditor signed the reports (Garkaz et al., 2016).

Independent Variable

The board size is measured as the total number of board members (Basuony et al., 2016), board independence is measured as the proportion of Non-Executive Directors to the total number of board members (Appah & Emeh, 2013) and board meeting is measured as the meeting frequency of board of directors (Li, 2014).

Control Variable

Firm size is used as the control variable, and it's measured as the value of total assets (Hashim & Abdul Rahman, 2011).

Model Specification

The model is stated below:

$TFR_{it}=\beta_0+\beta_1BDIND_{it} + \beta_2BDSZ_{it} + \beta_3BDMEET_{it} + \beta_4FSZ_{it} +e_i$

Where:

i= insurance firm

t= year

β_0= Intercept β_1, β_2 and β_3 = the coefficients of the Variables.

e = Error Term.

TFR= Timeliness of financial reporting

BDIND = Board Independence

BDSZ = Board Size

BDMEET = Board Meeting

FSZ=Firm size
The inclusion of firm size (total assets)in the study is because it has been observed in various literatures that there are other firm features that have effect on the level of timeliness of financial reporting. Firm size is introduced because of its effect on timeliness of financial reporting. It is assumed that the larger the firm size, the higher the expected agency problem the firm is likely to encounter (Ahmed & Hassan, 2011)

Data Presentation and Discussion
In this section, data collected in the course of carrying out the study were presented and discussed. The hypothesis formulates for the study was tested to determine the effect of Board characteristics on timeliness of financial reporting.

Table 4.1 Summary of Descriptive Statistics

VARIABLES	MEAN	Std. Deviation	Minimum	Maximum	VIF	I/VIF
TFR	150.1667	91.90521	29	453		
BRDSZ	9.677778	2.292282	4	15	1.00	0.998555
BRDMT	4.522222	.9507865	3	7	1.00	0.996194
BRDIND	.6651111	.1200116	.43	.9	1.05	0.951731
FSZ	1.65e+10	1.35e+10	2.18e+09	7.94e+10	1.05	0.950909

Source: STATA 2013
Table 4.1 presents the descriptive statistics of independent and control variables of this study. As shown in Table 4.1, the mean score of financial report timeliness (TFR) for the sample is 150 days with a maximum and minimum day of 453 and 29 respectively. This indicates that on average, the companies took 150 days to complete their financial reports and make it available to users. The standard deviation of TFR is 91. Using the pooled sample from period 2011 to 2016, the results indicate that the companies did not comply with listing requirements and the Companies act. This is because a company submitted its reports 453 days after its financial year end.
The mean for BRDSZ (Board size) indicates that the average board size is approximately 10 with a maximum and minimum of 15 and 4 people respectively. BRDMT (Board meeting) has an average of approximately 5, with a maximum and minimum of 7 and 3 respectively. This indicates that on average, the board held 5 meetings during the year. Thus, this means the board exercised their responsibility appropriately. BRDIND (Board independence) has a mean value of **.**665, maximum and minimum values of **.**9 and **.**43 respectively, with a standard deviation of **.**12.

Table 4.2 Correlation matrix

	TFR	BRDSZ	BRDMT	BRDIND	TOTALAST
TFR	1.0000				
BRDSZ	0.1909	1.0000			
BRDMT	-0.1607	-0.0096	1.0000		
BRDIND	-0.2404	0.0359	0.0344	1.0000	
FSZ	-0.1293	-0.0135	-0.0562	-0.2160	1.0000

Source; STATA 13 output
From the correlation matrix table 4.2, it can be seen that BRDNT, BRDIND and FSZ are negatively correlated with TFR of the listed insurance firms in Nigeria. The implication is that the above variables move in the opposite direction with the TFR. On the other hand, BRDSZ shows a positive correlation with TFR, implying that it moves in the same direction with TFR. Relatedly, the table indicates that there is positive correlation between BRDSZ and BRDIND, BRDMT and BRDIND while there is a negative correlation between BRDSZ and BRDMT.

Residual tests
To test for the existence of heteroskedasticity, the present study used the Breusch and Pagan Lagrangian multiplier test. The results reveal that chi2 is 2.68 and the prob>chi2 is 0.10. This indicates the absence of heteroskedasticity. This implies that errors varies across the residuals are homogeneously distributed.
The study conducted multicollinearity test to show there is correlation among the explanatory variables themselves, which may affect the result of the study. Variance inflation factor (VIF) was conducted and the values for all the variables are less than 10 and the tolerance values for all the variables are greater 0.10 (rule of thumb). This shows there is no multicollinearity problem.
Hausmanspecification test was also conducted in order to determine the preferred model between fixed and random effects. The result obtained from Hauman specification test conducted in the study indicated a chi^2

value of 4.01 with a p-value of 0.2606 that is statistically insignificant and as such the random effects model is considered as the most appropriate estimator over the fixed effects model.
However, the Breusch and Pagan Langragianmultiplier test was conducted to determine whether the random effect should be interpreted or we go for the pool OLS. The result deduced from the test showed a chiof 33.59 and the P-value of 0.0000 that is significant at 1%. This implies that the random effect should be used.

The result from the random effect regression result is presented in table 4.3 below.

Table 4.3: Regression Results

Variables	Coefficient	Std. Error	Z- value	P>(Z)
BRDSZ	13.319	4.876801	2.73	0.006
BRDMT	-21.71869	8.282066	2.63	0.009
BRDIND	-73.47296	82.71828	-0.89	0.374
TOTALAST	-1.24e-09	8.94e-10	-1.38	0.167
Constant	188.6973	84.22619	2.24	0.025
R Squared:	0.1824			
f-Statistics:	16.17			
Prob.:	0.0028			

Source: Output from STATA 2013

From table 4.3, it can be observed that the R^2 is 0.1824 which means that 18.24% of variation in TFR of listed insurance firms in Nigeria was explained jointly by the independent variables captured in the model. The f-statistics is 16.17 which is significant at 1%. This shows that the model is fit.
The relationship between BRDSZ and TFR of listed insurance firms in Nigeria is positive. It means that an increase in board members by one (1) person will reduce the time taken by the firms to release their financial reports. A board with large members might be said to be a complete one. This is because; it is likely for such board to possess all the key attributes of a board such as diversity, expertise, independence and so on. Thus the financial reporting process is enhanced and this will reduce the delay of the financial reporting. Moreover, the relationship between BRDSZ and TFR is significant (at 1%). This findings is in line with that of Li et al (2014), Ilaboya and Christian (2014),Ahmed and Che-ahmad (2016) who submitted that bard size has a significant relationship with timeliness of financial reporting, but contradicts the studies of Ibadin et al (2012) and Fujianti (2016) who found the relationship to be insignificant.
The relationship between BRDMT and TFR of listed insurance firms in Nigeria is found negative. Thus, one (1) increase in number of meeting held by the board will increase the number of days the financial reports will be released by approximately 22 days. This negative relationship suggests that frequent meeting held by the board will delay the release of the financial reports. If a board meets frequently, it might lead to the delay of the financial reports. Because management members are also appointed as board members, and any appointed members will have to leave their managerial responsibility for the meeting. Thus, those activities that have to do with financial reporting have to be delayed. However, the relationship between board meeting and timeliness of financial reporting is significant (at 5 %). This implies that board meeting is significantly related to timeliness of financial reporting. This result is consistent with the finding of(Li et al., 2014), but contradicts Appah & Emeh (2013) who recorded an insignificant relationship between the variables.
The coefficient of BRDIND is -73.47296 which means that BRDIND has a negative relationship with TFR, while the relationship between them is not significant. This means that an increase in the nonexecutive members of the board by one (1) person will delay the release of the financial reports by 74 days. Though, the relationship is insignificant. The result is consistent with Nelson and Shukeri (2015), Nelson and Shukeri (2015), Ilaboya and Christian (2014) but not in line with the findings of Basuony et al.(2016), Garkaz et al. (2016) and Fujianti (2016) who found a significant relationship between board independence and timeliness of financial reporting.

Conclusion and Recommendations

The study investigated the effect of board characteristics on timeliness of financial reporting of listed insurance firms in Nigeria, 15 out of the 27 listed insurance firms were used due to data availability. Data were sourced from annual financial reports of the firms. The study proxied board characteristics by board size, board meeting and board independence, while firm size was used as the control variable. Using the multiple regressions to analyze the data, this study found that there is a positive and significant relationship between board size and timeliness of financial reporting. In addition, significant relationship exists between board meeting and timeliness of financial reporting, but the relationship was found to be negative.

Based on the findings, the study hereby recommends that listed insurance firms in Nigeria should sustain reasonable large number of board. This has become necessary in view of the fact that any increase in the size of the board will reduce the delay in releasing the financial reports of the firms. However, the frequency of meeting held by board should be reduced. This is because the higher the meeting held, the higher the delay it causes the release of financial report. This might be that, when the directors of the firms meet, they do not discuss issues that enhance the financial reporting processes. Finally, further research on timeliness of financial reporting should be conducted using other corporate governance variables.

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