# AUDIT FIRM ATTRIBUTES AND FINANCIAL REPORTING TIMELINESS

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**Abstract.**

*This study seeks to assess the influence of audit company qualities on financial reporting timeliness. The non-oil manufacturing companies listed on the Nigerian Exchange Group (NGX) that have been in operation since at least the year 2000 make up the study's population. 71 samples from the entire population were chosen for this investigation using simple random selection. The study's data came from published annual reports of the companies chosen for the study. Multiple regression analysis was employed in the study to analyse the data, and the E-view 8.0 statistical tools were used to estimate the model's parameters. The study used the analysis of pooled data. The results of the study show that audit fee has a negative but not statistically significant influence on timely financial reporting, audit firm size has a positive and statistically significant effect, and audit tenure and joint audit have a negative and statistically significant effect. The study suggests, among other things: that businesses should not always seek out audit firms that charge high fees because doing so does not guarantee a swift completion of the audit work; that businesses should not switch audit firms too frequently because this will allow the auditor to use their experience to ensure a swift completion of the audit work for early and timely financial reporting; and that businesses should engage joint auditors in order to benefit from the synergistic advantages that can be derived from doing so.*

**Key words***: audit attributes, financial reporting timeliness, audit fees, audit firm size, audit tenure, joint audit.*

## Introduction

The health, liquidity, and performance of a company can be gleaned from its financial statements. These reports supply information that is tailored to the needs of specific audiences. Users of financial statements pay close attention to the veracity of the statements. When it comes to the quality and openness of financial reporting, timeliness is a key factor that may be related to corporate governance norms (Okerekeoti, 2022). The value of accurate accounting information to corporate decision-makers cannot be overstated (Daferighe & George, 2020). It has been determined that timeliness of financial reporting is one of the most salient characteristics of the data presented in the reports. Value-relevant needs therefore include the timely dissemination of financial statements. Any new knowledge obtained after a decision has been made, or should have been made, is of no benefit or relevance to the person making the decision. A decision maker's focus on timely financial reporting is driven by the need to make sound choices. Timeliness enhances both the usefulness and credibility of data. Investors and other users are more likely to put faith in a report if it is released promptly. When financial reports are late, their value decreases. Timeliness of financial statements is a "major driver of financial reports quality," as stated by Turel (2010). Atkas and Kargin (2011) state that prolonged gaps between financial reports increase the danger of making poor investments. When knowledge is delayed, its usefulness and importance decrease Yim (2010). While financial statements are useful for making decisions, the longer it takes for them to be communicated, the less useful and informative they become. This is especially true in agency relationships where agents have an informational advantage over the principal. In order to be useful for making decisions, audit reports "should be available on time" (Aulova&Hlasva, 2013). According to Che-Ahmad and Abidin (2008), the foundation of trust for all users of financial information is a timely audit report. Users can make more informed judgments when they have access to qualitative financial data that is both timely and accurate. Timely and accurate financial data lessens the chance that false information may circulate about a company. When financial data is delivered in a timely manner, those with decision-making responsibilities can put it to use before it becomes obsolete (Muhammad, 2020). According to Srbinoska and Srbonoski (2021), financial statements provide crucial details regarding an entity's resources, operations, and outcomes. In order to promote sound business judgement, they must be made promptly available to all parties concerned. Insider trading, leaks, and rumours can be avoided by timely reporting (Owusu-Ansah, 2000). If the overall accounting information are not released on time because the audit report is taking too long to be ready, "the value relevance of the information will be eroded" ( Akhaliumeh, et al, 2017). Timely and accurate financial data helps prevent the spread of false rumours about a business (Muhammad, 2020). To the author's knowledge, no prior research on "the association between audit firm quality and financial reporting timeliness" has directly addressed non-oil manufacturing firms listed on the Nigerian Stock Exchange; hence this study's goal is warranted.

Given this setting, the primary purpose of this research is to investigate the factors that influence audit firms' ability to report financial results on schedule.

## Review of Related Literature

### Conceptual Review

The conceptual review examines the important concepts used in the study. The review starts with the dependent variable. In this case, the dependent variable is financial reporting timeliness. Then, the examination of the independent variable (which is audit firm attributes) follows.

### Financial Reporting Timeliness

CAMA (2004) requires that within fifteen (15) months between the date of the annual general meeting and the date of the following annual general meeting, companies are required to distribute their annual reports to shareholders. This means that accurate and timely financial reporting is required by regulation. Daferighe and George (2020) state that the vast majority of Nigerian businesses fail to file their annual report to the SEC within the stipulated 90 days after the end of the fiscal year. Timeliness refers to the promptness with which financial reports are distributed to the company's shareholders, who are also the company's owners. When a report is delayed, it is referred to as an "Audit Report Lag" or a "Financial Reporting Delay." The audit report lag, as defined by Enofe, Aronmwan, and Abadua (2013), is the time that elapses between the end of a company's fiscal year and the signing of the accompanying audit report. The audit lag, as defined by Muhammad (2020), is the time between the end of an organization's accounting year and the signing of the audited financial reports and accounts that are submitted to the firm.

The audit report lag, as defined by Dibia and Onwuchekwa (2013), is the time that elapses between the close of the fiscal year, the completion of the accounts, and the release of the audit report. The financial reporting time lag refers to the amount of time that passes between the end of a company's fiscal year and the dissemination of audited financial statements to investors. Pizini, Lin, and Ziegenfuss (2014) define audit report lag as "the period between the closing of the financial year end and the publication of the financial statements." The time between the close of the fiscal year and the release of the audited financial statements is defined as the "audit report lag" (Fujianti & Satria 2020). Timely access to financial data is crucial for addressing the needs of decision-makers (Yadirichukwu & Ebimobowei 2013). They also believe that a healthy financial market depends on accurate financial accounts being submitted on time. Richiute (2006) argues that an auditor's judgement on the financial statements and internal controls should be stated explicitly and communicated as soon as practicable in the audit documentation.

**Audit Firm Attributes**

The literature presents a wide variety of auditing company characteristics. Attributes, or characteristics, of an audit firm are the features that define the way in which it operates. This research will consider the audit fee, the size of the auditing company, the length of the audit, and whether or not the audit is conducted jointly.

**Audit Fee**

Audit fees are the monetary remuneration for an independent audit of a company's financial statements (International Standards on Auditing, 2011 as cited in Egbunike and Asuzu, 2020). According to Abbazadeh (2017), audit fees include the price for hours worked on the audit in addition to incidental fees and other non-audit activities. A client's audit fee should reflect the time and effort put in by the auditor, as stated by Ganda and Huphet (2019). Inneh et al. (2022) find that audit fees positively affect financial reporting timeliness. Egbunike and Asuzu (2020) argue that audit fees have a positive influence on audit quality. One of the factors that greatly affects financial reporting latency is anomalous audit fees, as stated by Alali and Elder (2014). There is a substantial link between the audit fee and late financial reporting, as shown by Leventis, Weetimen, and Caramanis (2005).

As opposed to the result of the audit, Gupta (2005) suggests basing audit fee estimates on the time, skills, and duties involved in the audit assignment.

**Audit Firm Size**

Srbinoska and Srbinoski(2021) classify audit firms into the major four and other audit firms. Similar to the "big 4" accounting firms, Jerry and Saidu (2018) regard audit firms to be sizable if they are among them. The "big 4" accounting firms are KPMG (Klynveld Peat Marwick Goerdeler), PWC (Price Waterhouse Cooper), EY (Ernest & Young), and Deloitte. Their large size, impeccable reputation, and ubiquitous presence make them one of the world's top four accounting firms.

Ahmed and Che-Ahmad (2016) state that larger audit firms offer better quality services. The "big four audit firms are more vulnerable to have a more significant reason to perform audit engagement in a timely manner to defend the international reputation," as stated by Srbinoska and Srbinoski (2021). Inneh et al. (2022) found that the larger the audit company, the more timely the financial reports were.

## Audit Tenure

Recent sandstorms that jolted business environments have pushed discussions about auditors' tenure and independence to the forefront. The question of how often the auditor should be changed has been discussed.

Both the regular replacement of auditors and the idea that auditors should spend more time in the client's environment were discussed.

Long-term relationships between auditors and their auditees, proponents of frequent audit flipping argue, develop empathy between the two parties and erode the auditor's independence. They argue that if the auditor were not completely impartial, they may overlook inappropriate actions taken by the client's management or disregard evidence of fraud (Ikharo, 2015).

Those in favour of an auditor maintaining a long-term connection with his client said that this would make the auditor more successful because of his increased familiarity with the client's business. As a result, the auditor will be better able to spot mistakes. They believe that thorough audits can only be conducted over extended periods of time. An audit firm's "tenure" with a certain company is the time it serves as auditor for that business.

Muhammad (2020) asserts that studies conducted in developed countries have linked gender, specialisation, and auditor tenure to financial lag. Based on Oyebamiji's research of 2022, “auditing authorities investigated system of audit rotation to improve financial reporting quality and mitigate against lengthy audit tenure coming from the long-term interaction between the management and the independent accountant".

The Sarbanes-Oxley Act (Sox) of 2002, European Commission resolutions from 2004 and 2011, GAO findings from 2003 and 2008, etc., were all enacted to restore faith in corporate financial statements (Oyebamiji, 2022)

## Joint Audit

When two or more auditing companies work together on an audit of a single corporation, this is known as a "joint audit." Mnif and Salamn(2022) posit that mandatory joint audits "may provide many benefits, but may also increase audit cost and workload". There has been considerable backlash to the mandate for a collaborative audit strategy (Hussain et al, 2018).

Aobdia (2019), asserts that a lack of market trust in auditor independence can be remedied through legislative measures like joint audit.

There are two schools of thought when it comes to joint auditing: those who support the practice, and those who do not. Required and voluntary joint audits "increase confidence in the audit because all parties must approve the audit before signing” ( Mazars, 2010). Because joint auditors might encourage management to take part in informal talks to achieve their goals, Zerni, et al. (2012) view joint audit as a potent weapon for preventing bribery and standing up to pressure from management. Carcello and Nagy (2004) argue that "Joint audit helps to enhance auditor independence".

Abdelmoula and Affes (2019) argue that the predictability of three criteria; competence, independence, and reputation is affected by the quality of the joint audit. According to Aobdia (2019), joint audits are one of the regulatory remedies to the problem of what they call "a lack of market confidence in auditors". Nurunnabi; et al (2020), pen that "the advantages of a joint audit include the difficulty to bribe two auditors at the same time and that joint auditors are also more capable to stand their ground more than a single auditor in the event of disagreement with management of the company being audited." To Mnif and Salam( 2022), "Joint auditing may be of the kind that facilitates the compilation of high-quality financial reports through the network relationships that allow the exchange of experiences, information, and the establishment of professional links".

Proponents of joint auditing argue that it increases the quality of audit reports and strengthens auditor independence (Carcello & Nagy, 2004; Marzars, 2010; Zerni et al, 2012; Aobdia, 2019; Abdelmoula & Affes, 2019; Mnif & Salam, 2022). They believe the information will be more accurate if two audit firms look at the same client.

Some scholars are wary about joint audits because they worry it would damage one auditor's impartiality if they end up competing with one another for the client's business. They also believe that auditors may be less likely to provide revised reports in the event of a joint audit (Hoos, et al, 2019).

**Theoretical Framework**

This study is based on theories such as; the policeman theory, inspired confidence theory and lending credibility theory.

**The Policeman Theory**

In the "policeman" model, the auditor actively seeks out, identifies, and prevents fraudulent activity (Ittonen, 2010). In this view, the auditor is analogous to a law enforcement official, whose duties include ensuring numerical accuracy and looking out for signs of fraud. The twentieth century saw this condition persist. Audit's primary goals were to prevent and detect fraud. It dominated the field until the 1940s (Salehi, 2010). But the tale was changed after the new auditing standards were implemented. The recommendations emphasise that an audit's primary objective is not to detect fraud but rather to convey confidence in management's financial statements. The new International Standards on Auditing require auditors to attest to the reliability and objectivity of a company's financial statements to a reasonable degree of assurance.

Since the theory can't account for the shift of auditing to verifying the truth and fairness of financial reports, it seems to have lost much of its explanatory power (Salehi, 2010).

**The Inspired Confidence Theory**

This idea was developed in 1932 by the Dutch academic, Theodore Limperg. The concept centres on the demand and supply of auditing services. It asserts that the requirement for audit services is influenced directly by the presence of external stakeholders (i.e., third parties) in the organisation. Stakeholders expect management to be answerable for their investment in the company. Due to the possibility of bias in the information provided by management and the lack of direct monitoring skills on the part of other parties, an audit is required to confirm the accuracy of the information. Limperg (1932) argues that an auditor's primary goal should be to inspire trust in their audits.

**Lending Credibility Theory**

It is believed that an auditor's primary function is to lend credibility to management's prepared financial statements. Financial statements that have been audited are one tool used by management (the agent) to gain the principal's trust and reduce the knowledge gap between the two parties. The auditing of financial statements increases their reliability (Ittonen, 2010). As a result, auditors' clients can view credibility as the service they receive from the profession. Users are more likely to trust the information provided by management (in the financial statements) if it has been subjected to an audit (Ittonen, 2010). The investigation is based on the concept of 'giving credibility'. This approach was taken because users of financial statements want accurate financial information in order to make educated decisions.

This study is underpinned by lending credibility theory. Reason for the choice is that users of financial statements require a credible and reliable financial information that will enable them make a sound and robust economic decision.

## Empirical Review

### Audit fee and Financial Reporting Timeliness

Egbunike and Asuzu (2020) opine that audit fees had a negative but marginal impact on audit report latency based on their research into the topic. Thirteen companies from the manufacturing sector were considered for the research. Analysis of Descriptive Statistics Housman test and Panel regression were used to analyse the study's data. Muhammad (2020) analysed the factors that led to the delay in audit reports, such as the personalities of the auditors. The research used data from 16 different service providers located in NSE. The research was performed during the years of 2007 and 2016. The research employed a technique called regression analysis. An insignificant negative relationship was discovered between audit fees and audit report delays. Akhalumeh et al. (2017) examined the relationship between firm characteristics and audit report delay using data from Nigerian publicly traded companies. The analysis relied on a pooled regression technique. From 2012 to 2016, information was collected from publicly traded corporations. The results of the study revealed that the audit charge had a detrimental, albeit negligible, effect on the timeliness of audit reports. According to Daferighe and George's (2020) research titled "Audit Firm Attributes and Financial Reporting Quality of Quoted Manufacturing Companies in Nigeria," auditor's fees had a significant effect on the quality of financial reporting for quoted manufacturing companies in Nigeria. The study was conducted using a retrospective methodology. Information was collected from the footnotes of the financial statements of the 16 companies used in the study (released between 2011 and 2015). Multiple regression analysis was used to analyse the data and evaluate the hypotheses. The review indicates that the audit fee significantly affects the timeliness of financial reporting, as was theoretically predicted given the variables. Therefore, we think that:

**$H_1$:** *Audit fee has no significant impact on financial reporting timeliness*

### Audit Size and Financial Reporting Timeliness

According to the findings of Arowoshegbe et al. (2017), the "factors determining timeliness of an audit report" were studied in Nigeria. Between 2012 and 2015, they analysed 42 NSE-listed financial and non-financial companies. Quasi-experimental design was chosen as the method of investigation. The panel data approach was used in the econometrics analysis. OLS regression was used to analyse the data. The results indicate that the audit report's timeliness is favourably and considerably influenced by the audit firm's size.

According to "Audit firm characteristics and audit quality in Nigeria" by Ilaboya and Ohiokha (2014), a negative association was discovered between audit firm size and audit quality. The researchers employed multivariate regression, paying specific attention to the logit and Probit approaches, to estimate the study's model. Srbinoska and Srbinoski conducted a study in 2021 on the timeliness of audit reports for the Macedonian Stock Exchange. Three hundred and ninety-six observations were collected from 99 non-financial firms traded on the Macedonian Stock Exchange between 2014 and 2017. The study used regression analysis to check the hypothesis. The results of the study do not support the hypothesis that a larger auditing firm would complete its audit more quickly.

The "effect of audit tenure and firm size on financial reporting delays" was the subject of a 2018 study by Asmara and Situanti. Financial statements of companies trading on the Indonesian Stock Exchange were analysed using the outer model and inner model from the Smart Pls 3.0 software. According to the results of the study, the size of the audit company had no effect on the audit's duration or timeliness.

According to "enterprise characteristics and audit report delay in Nigeria: Evidence from the post-IFRS adoption era," by Akhalumeh et al. (2017), the type of external auditor used has a positive and statistically significant effect on the audit report delay. They adopted pooled regression analysis in their study. According to Darefighe and George's (2020) research on "audit firm attributes and financial reporting quality of Nigerian manufacturing firms," the size of the audit firm has a minor effect on the financial reporting quality of listed manufacturing firms in Nigeria. In their study, they used the ex-post facto research design.

Thus, this research aims to investigate audit firm size and its effect on financial reports' timeliness in an objective manner. Therefore, we think that:

**$H_2$:***Audit firm size has no significant association with financial reporting timeliness*

### Audit Tenure and Financial Reporting Timeliness

In 2022, Oyebamiji studied how audit tenure affected the accuracy of financial reports from Nigerian deposit money organisations. Secondary information was analysed for this investigation. The population of this study consisted of all of the deposit money banks that are traded on the Nigerian Stock Exchange. Purposive sampling was used to select 13 well-known banks whose data were readily available and whose stock was actively traded on the market. Audited financial accounts from Deposit Money Banks (DMBs) and the NSE Face book were analysed during an 11-year time span (2008-2018). The study analysed the data using a random effect model. According to the results, there is a positive and statistically significant correlation between audit tenure and the accuracy of financial reports.

Handoyo and Oktafiani (2019) found that audit tenure significantly reduced audit delay. They looked into the "audit delay of LQ-45 companies listed on the Indonesian Stock Exchange (ISE)". The shift in auditor bias (or audit tenure) was one of the factors studied. The purpose of this research is to determine if and how auditor experience affects audit lag time. This study employed SPSS 17.0's regression and t-test capabilities to examine the hypothesis. Secondary information from the company's financial statements and audit reports from 2010-2014 was used in the analysis.

Muhammad's (2020) research on "the effects of auditor qualifications on audit reporting lag of service Nigerian organisations" found that audit tenure has a positive and significant effect on timely reporting. Sixteen service providers active on the NSE floor between 2007 and 2016 served as the study's sample. The hypothesis was examined by means of a regression analysis.

Ilaboya and Ohiokha published a study in 2014 titled "The Impact of Audit Firm Characteristics on Audit Quality." The study's data came from the financial statements of 18 food and beverage companies trading on the Nigerian Stock Exchange throughout the study's time frame (2007-2012). Multivariate regression was used to estimate the model for the investigation, with the logit and Probit approaches taking centre stage. The results of the study imply that there is little connection between audit experience and audit quality.

Arowoshegbe et al. examined "factors impacting the timeliness of an audit report in Nigeria" in a study published in 2017. Forty-two enterprises, both financial and otherwise, listed on the NSE between 2012 and 2015 were analysed. Quasi-experimental design was chosen as the method of investigation. The Panel Data Method was used for the econometric analysis. Ordinary Least Squares (OLS) regression was utilised to analyse the data. The result proved that the length of time it takes to conduct an audit has little to no influence on the timeliness of the audit report.

Asmara and Situanti (2018) found no correlation between the duration of an audit firm's tenure and the timeliness of financial reporting in their study titled "the influence of audit tenure and firm size on financial reporting delay." The sample for this study consists of publicly traded companies in the consumer goods sector that were listed on the Indonesia Stock Exchange (IDX) between 2014 and 2016. The investigation adopted a purposive sampling strategy. The IDX used audited financial statements from enterprises that followed a documented procedure to collect secondary data. Both the outer model and the inner model in Smart Pls 3.0 were utilised to analyse the data.

Thus, this research intends to look at the relationship between audit experience and punctual financial reporting. Using the above analysis and theory, the following claim is made without evidence:

**$H_3$:** *There is no significant relationship between audit tenure and financial reporting timeliness.*

**Joint Audit and Financial Reporting Timeliness**

Mnif and Salamn(2022) looked into the role of joint auditing in improving the quality of electronic auditors reporting in Iraqi banks. Ten Iraqi banks were selected as a sample for the study, which looked at the years 2015 through 2020. Multiple regressions were employed. The results showed that when auditors work together, better reports are generated.

Ekwueme and Olufemi(2020) examined the joint audit and audit quality of financial statements in Nigerian listed corporations in their research. They analysed 63 Nigerian companies registered on the stock exchange using secondary data collected over a five-year period (2014-2018). There were three panel regression models built to handle the three audit quality proxies. Some examples of data analysis techniques include descriptive statistics, correlation matrices, and panel regression strategies. According to the results of the study, collaborative audits have a negative but negligible impact on audit delay.

Deng et al. (2012) examined "Do Joint Audits Improve or Impair Audit Quality?" The results of their study indicate that joint audit increases the risk of compromise. The results also imply that technologically inefficient firms (a tiny firm) may lower the quality of a joint audit by free-riding, which would enhance the aggregate evidence's reliability but decrease the audit's quality. The research examined three distinct audit companies before drawing its final conclusion: a single major audit firm, a partnership between two large audit firms, and a partnership between a large audit firm and a small audit firm. The three groups of auditors were compared with respect to the accuracy of the total audit evidence, the impartiality of the auditors, and the total audit charge.

Researchers in the Tunisian setting investigated "Determining determinants of the quality of joint audit." The 222 Tunisian companies were selected by Abdelmoula and Affes (2019). A factorial analysis was performed in the study using an internal coherence test. The influence of each factor on the quality of the joint audit was then analysed with the help of a logistic model. The research found a connection between credibility, expertise, and third-party verification through auditing.

How much of an improvement do joint audits make? Zerni et al, (2012) conducted research on the topic with evidence from voluntary collaborative audits. The analysis of Swedish corporations, both those listed on stock exchanges and those held privately were examined. Separate random samples and empirical designs were used for each category of corporations. The study found that "voluntary joint audits are favourably related with audit quality in a relatively low litigious context," and this was true for both public and private companies.

That's why we are conducting this research: to determine what role joint audits have in ensuring that financial reports are filed on time. As a result, we will presume:

**$H_4$:** *Joint audits do not have significant impact on financial reporting timeliness.*

## Methodology

### Research design method.

This investigation makes use of an ex-post facto research strategy. Ex-post facto research is a type of systematic empirical investigation in which the researcher does not alter or influence the independent variables because the circumstances being studied already exist or have occurred ( Asika,2006 as cited in Ogbodo & Aigienohuwa, 2012). This design choice can be explained by the researcher's limited ability to influence the independent variables.

### Population of the Study

The manufacturing companies in Nigeria's non-oil sector that have been in operation since at least the year 2000 make up the study's population. The population of 87 companies registered on the Nigerian Exchange Group (NXG) is finite.

### Sample size/ Sampling Techniques

The sample size of this study is 71 non-oil manufacturing firms quoted on the Nigerian Stock Exchange and that has done business since at least year 2000. The simple random sampling method is used to select a sample of 71 from the above population. The Taro Yamane formula used to determine the sample size, being a finite population. The formula is stated as:

$$n = \frac{N}{1 + Ne^2}$$

Where:

n = sample size

N = population size

e = level of significance

**Method of Data Collection**

The data for this study were obtained from the secondary source of published annual reports of firms selected for the study. These data already exist.

**Method of Data Analysis**

The multiple regression analysis is used to analyze the data collected for the study. The E-view statistical package is used to estimate the parameters of the model. The pooled data analysis method is adopted.

The model used in explaining the relationships between the variables under study is given as:

FINRT = $\beta_0 + \beta_1 ADFE + \beta_2 ADSZ + \beta_3 ADTEN + \beta_4 JTAD + \sum$

*Where:*

ADFE = audit fee

ADSZ = Auditor size

ADTEN = Audit tenure

JTAD = Joint audit

$\beta_0$ = intercept

$\beta_1$- $\beta_4$ = Parameters of independent variable estimated using E-View 8.0

$\sum$= Stochastic error term.

**Variables and their Measurements**

The following table shows how the variables of our causal relationship are measured and operationalised;

**Model Specification**

| *Sign* | *Meaning* | *Variable Type* | *Appriori Sign* | *Operationalization* |
|---|---|---|---|---|
| ADRT | Audit Reporting Timeliness | Dependent | + | Days between financial year end and audit report signed |
| ADSZ | Audit Size | Independent | - | Dummy variable (1 if big-4, 0 if otherwise) |
| JTAD | Joint audit | Independent | - | Dummy variable (1 if there is Joint audit 0 if otherwise |
| ADTEN | Auditor Tenure | independent | - | Number of years an auditor has remained on an audit engagement |
| ADFE | Audit Fees | Independent | - | Natural log of audit fess |

**Decision Rule**

The level of significance used in this study is 0.05. Therefore, for the variables if the p-value of t-statistic is less than 0.05, we accept the alternative hypothesis and reject the null hypothesis.

**Analysis and Interpretation of Results**

**Table 1: Descriptive Statistics**

| | FINRT | ADTEN | ADSZ | JTAD | ADFE |
|---|---|---|---|---|---|
| Mean | 4.371871 | 5.73428 | 0.750721 | 0.062540 | 52.4543 |
| Median | 4.218841 | 6.14162 | 1.000000 | 1.000000 | 31.5723 |
| Maximum | 5.479730 | 9.45963 | 1.000000 | 1.000000 | 2102.39 |
| Minimum | 2.339057 | 3.15784 | 0.000000 | 0.000000 | 0.00000 |
| Std. Dev. | 0.328238 | 1.995595 | 0.450680 | 0.079683 | 121.543 |
| Skewness | -0.7498 | -0.469553 | -0.983944 | 2.484024 | 4.16979 |
| Kurtosis | 6.466594 | 2.071348 | 1.968145 | 14.81784 | 24.6944 |
| Jarque-Bera | 80.76426 | 8.067460 | 22.83504 | 160.0853 | 247.879 |

| | | | | | |
|---|---|---|---|---|---|
| Probability | 0.000000 | 0.025708 | 0.000081 | 0.000000 | 0.00000 |
| Sum | 471.9444 | 2637.946 | 80.00000 | 6.941992 | 9462.43 |
| Sum Sq. Dev. | 16.58016 | 354.6578 | 22.34234 | 0.698436 | 2.9E+08 |
| Observations | 71 | 71 | 71 | 71 | 71 |

**Source: Computed from Various Annual Reports Using E-View 8.0**

Data for almost all of the variables in Table 1 follow normal distributions. The p-values from the Jaque-Bera statistics show that nearly all the variables are significant at the 1% level, indicating that they are all fairly normally distributed. The longest possible interval between financial reports is 5.48. The average value of the audit tenure metric is 4.371871, with a range of 2.339057-5.48. For the companies under consideration, the joint audit measure can range from 0 to 1, with an average value of 0.0625. These results show that none of the analysed firms are dominated by an extreme attribute. This means that there are no extreme values that could throw off the results of this investigation.

**Table 2: Correlation Matrix**

| Correlation | FINRT | ADTEN | ADSZ | JTAD | ADFE |
|---|---|---|---|---|---|
| FINRT | 1.000000 | | | | |
| ADTEN | -0.246863 | 1.000000 | | | |
| ADSZ | 0.121512 | 0.025023 | 1.000000 | | |
| JTAD | -0.023950 | -0.201388 | 0.055448 | 1.000000 | |
| ADFE | -0.133926 | 0.720161 | 0.217389 | -0.054597 | 1.000000 |

**Source: Computed from Various Annual Reports Using E-View 8.0**

**Table 2** shows that the explanatory and controlling variables have contradictory relationships with the timeliness of financial reports. For instance, the magnitude of an audit is connected to the regularity with which financial reports are submitted. Timeliness of financial reports is negatively correlated with joint audit measures, audit duration, and audit fees. The autocorrelation problem is not present in the proposed model since the table contains no pairs of explanatory variables that are perfectly or nearly perfectly correlate.

**Table 3: Regression Results**

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 5.110097 | 0.414099 | 12.13443 | 0.0000 |
| ADTEN | -0.241600 | 0.222124 | -1.780296 | 0.0429 |
| JTAD | -0.324295 | 0.585678 | -1.697206 | 0.0327 |
| ADSZ | 0.447418 | 0.193132 | 2.556626 | 0.0292 |
| ADFE | -2.72E-05 | 2.51E-05 | -0.810100 | 0.4498 |

| | | | |
|---|---|---|---|
| R-squared | 0.143182 | F-statistic | 1.987710 |
| Adjusted R-squared | 0.063200 | Prob(F-statistic) | 0.025863 |
| S.E. of regression | 0.543183 | Durbin-Watson stat | 1.642030 |

**Source: Computed from Various Annual Reports Using E-View 8.0**

As can be seen in Table 3, the model can be utilized to provide light on the relationships between the dependent and independent variables. Our model is free of the multicolinearity problem, as evidenced by the Durbin-Watson statistic of 1.642, which is about equivalent to 2. The R-squared value of 0.1432 implies that 14.32% of the systematic variation in financial report timeliness can be attributed to changes in the independent variable (which acts as both an explanatory and controlling factor). The model is valid and well-stated, as indicated by the F-probability statistic of 0.0259.

**Discussion of the direct correlations between the two sets of variables.**

**Audit Fee (ADFE):** The research shows that audit fees negatively affect financial reporting timeliness by a coefficient of -2.72E-05. The negative impact was found to have a p-value of 0.4498, indicating that it was not statistically significant. This result is inconsistent with the theoretical prediction, hence we reject H1. Akhalumeh et al. (2017), Muhammad (2020), Egbunike and Asuzu (2020), and others found no such correlation, which conflicts with the findings of Daferighe and George (2020). Companies with higher values for firm complexity measures (accounts receivable and inventory) may have better internal audits and internal control mechanisms, which may explain the observed correlation.

**Audit Size (ADSZ):** With a coefficient of 0.4474, the results show that audit size positively affects the timeliness of financial reporting. A p-value of 0.0292 indicates that the beneficial impact of audit size is statistically significant. In keeping with theoretical expectations, this data contradicts the idea that audit size has no noticeable effect on the timeliness of financial reporting. Arowoshegbe et al. (2017) and Akhalumeh et al. (2017) both discovered the same thing, but Ilaboya and Ohiokha (2014) and Asmara and Situanti (2017) found opposites (2018).

**Audit Tenure (ADTEN):** The negative effect of audit tenure on financial report timeliness is statistically significant (p = 0.0429), and the coefficient of -0.2416 confirms this finding. This finding is in line with theoretical assumptions, thus we can dismiss the notion that audit tenure is not strongly linked to timely financial reports. This may be due to the fact that the proficiency gained through familiarity with the firm's operations and intricate details is likely to lead to improvements in the financial reporting timeliness that we analysed. This finding is in keeping with the work of Ilaboya and Ohiokha (2014) and Arowoshegbe et al. (2022), but at odds with the work of Handoyo and Oktafiani (2019), Mohammed (2020), and Oyebamji (2022). (2017).

**Joint audit measure (JTAD):** The research demonstrates that a joint audit negatively impacts the timeliness of financial reporting with a coefficient of -0.3243. The p-value for the negative effect is 0.0327, which is statistically significant. This finding is consistent with theory, so we can rule out hypothesis 4. Zerni et al. (2012), Deng et al. (2012), and Ekwueme and Olufe (2015) all reached different conclusions, which are at odds with this one. The research shows that having a joint audit has a negative effect on the timeliness of financial reporting (correlation = -0.3243). The negative impact is statistically significant, with a p-value of 0.0327. This finding is in line with theoretical prediction, hence H4 can be rejected as a result. This result is at odds with the work of Zerni et al. (2012), Deng et al. (2012), and Ekwueme and Olufemi (2020).

**Findings, Conclusion and Recommendations.**

**Findings**

The analysis of this study shows findings which are summarized as:

(i) Audit fee has a negative but not significant effect on financial report timeliness.

(ii) Audit size has both positive and significant effect on financial reporting timeliness.

(iii) Audit tenure has both a negative and significant effect on financial reporting timeliness.

(iv) Joint audit measure exerts a negative significant effect on financial reporting timeliness.

**Conclusion**

Audit attributes to a large extent have meaningful effects on how early and timely financial reports are released at the end of the year. While audit fee exerts an insignificant influence; audit size, audit tenure and joint audit respectively exerts a significant impact on financial reporting timeliness. This could be as a result of the fact that these significant corporate governance measures have the potentials of facilitating the audit process.

**Recommendations**

Based on the findings above, the study recommends as follows:

(i) Firms should not look for audit firms that charge significantly high fees since that would not necessarily mean speedy completion of the work.

(ii) For prompt preparation of financial statements firms should always engage the services of big-4 audit firms

(iii) Companies should not form the habit of changing audit firms too often so that the auditor can use the experience gained over time to ensure speedy preparation of audit reports for early and timely financial reports.

(iv) For prompt release of financial reports, firms should mainstay on joint audits so as to gain some synergistic advantages that can be derived in the form of early completion of audit work and therefore early financial reporting.

**Suggestion for Further Studies.**

The following areas are suggested for further studies;

(i) Use of audit firm attributes other than the ones used by the study to assess the influence of audit firm attributes on financial reporting timeliness.

(ii) Investigating the association between audit firm attributes and financial reporting timeliness in sectors such as; hospitality, agro allied etc.

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## Appendices

**Appendix 1: Computation of sample size**

= 87

1+ 87(0.0025)

= 87

1+0.2175

= 87

1.2175

= 71.45 = Approximately 71