International Journal of Spectrum Research in Social and Management Sciences (IJSRSMS)
1(2), April-June, 2025, Pages 217-229

ISSN: 3092-9547

https://doi.org/10.5281/zenodo.15749950

Effect of Corporate Governance Characteristics on Timeliness of Financial Reporting of Listed Consumer Goods Firms in Nigeria

Agume C. Omokafe[1], Suleiman Akwu-Odo S. Aruwa (Ph.D)[2] & Saidu I. Halidu (Ph.D)[3]

[1&3]Department of Accounting, ANAN University Kwall.
[2]Department of Accounting, Nasarawa State University Keffi
[1]clementagume@gmail.com

ABSTRACT

This study investigated the effect of corporate governance characteristics on timeliness of financial reporting with a focus on listed Consumer Goods firms in Nigeria. The independent variables are board size, board composition and foreign directorship while the dependent variable is the timeliness of financial reporting index. The study adopted the ex-post facto design. Panel data were sourced from 6 out of the 20 listed firms in the industry from 2018 to 2022. Data were collected from the annual reports of the sampled firms Three hypotheses formulated for the study were tested using multiple regression techniques. The findings revealed that board size and board composition have negative and insignificant effect on the timeliness of financial reporting of listed Consumer Goods firms in Nigeria. However, foreign directorship had a negative but significant effect on the timeliness of financial reporting. The study recommended inter alia that management of listed consumer goods firms should retain a moderate number of board sizes, board composition and foreign directors in order to enhance their timely financial reporting.

Keywords: *Corporate Governance, Financial Reporting, Listed Consumer Goods, Firms, Nigeria*

INTRODUCTION

The timeliness of financial reporting holds paramount importance for investors, regulators, and other stakeholders. Prompt disclosure of financial information allows investors in the global market to make informed decisions, fosters transparency in capital markets, and enhances market efficiency (Lang & Lundholm, 1996). Manufacturing consumer goods firms, as significant players in the global economy, are expected to adhere to reporting standards to maintain investor confidence and facilitate capital allocation (Christensen et al., 2007).

The importance of timely financial reporting is underscored by the continent's evolving economic landscape and increasing integration into global markets. African countries, including Nigeria, are striving to improve transparency and governance practices to attract foreign investment and stimulate economic growth (Moyo, 2007). Timely financial reporting by manufacturing consumer goods firms is crucial for building investor trust, promoting accountability, and facilitating access to capital in African markets (Adegbite & Nakajima, 2018).

In Nigeria, the manufacturing consumer goods sector plays a pivotal role in the country's economy, contributing significantly to employment, revenue generation, and foreign exchange earnings (Ogbeide et al., 2020). Timely financial reporting by firms in this sector is essential for maintaining investor confidence, ensuring compliance with regulatory requirements set by bodies such as the Financial

Reporting Council of Nigeria (FRCN), and fostering sustainable economic development (Adegbite & Nakajima, 2018).

Corporate governance has emerged as a crucial determinant of organizational performance and accountability, particularly in the realm of financial reporting. Within the context of listed consumer goods firms in Nigeria, the efficacy of corporate governance practices can significantly influence the timeliness of financial reporting. Timely and accurate financial reporting is essential for maintaining transparency, ensuring accountability, and fostering investor confidence in the market (Adams & Mehran, 2012).

Nigeria's consumer goods sector constitutes a vital segment of its economy, contributing substantially to employment, revenue generation, and overall economic growth. Understanding the factors that impact the timelines of financial reporting within this sector is imperative for stakeholders, including investors, regulators, and policymakers (Amran, 2015).

Corporate governance characteristics encompass various elements such as Board Size, Board Composition, Board Gender Diversity, Foreign Directorship, the presence of internal controls etc. The size of the board of directors, composition of the board of directors and presence of foreign directors on the board can have both positive and negative effects on the timeliness of financial reporting by firms (Dalton et al., 1999).

The timeliness of financial reporting is a critical aspect of corporate governance, as it directly impacts the usefulness and decision-relevance of financial information for various stakeholders. However, previous studies have shown that many listed companies, particularly in developing economies like Nigeria, often face challenges in delivering timely financial reports.

The problem this study seeks to address is the lack of understanding about the specific corporate governance characteristics that influence the timeliness of financial reporting among listed consumer goods firms in Nigeria. Understanding these relationships is essential for improving the financial reporting practices of these firms and ensuring the availability of timely and reliable financial information for investors, regulators, and other stakeholders.

The study aims to investigate the effect of key corporate governance characteristics, such as board size, board composition and foreign directorship, on the timeliness of financial reporting by listed consumer goods firms in Nigeria. This research will contribute to the existing literature on corporate governance and financial reporting, and provide insights that can guide policymakers and companies in enhancing the timeliness and quality of financial reporting.

In Nigeria, the timely disclosure of financial reporting information is crucial for ensuring transparency, accountability, and investor confidence in the capital market. However, despite the recognized importance of corporate governance in influencing financial reporting timelines, there exists a notable gap in the literature regarding its specific impact on the consumer goods sector within the Nigerian context.

Objectives of the Study

The main objective of this study therefore, is to examine the effect of corporate governance characteristics on the timeliness financial reporting by listed consumer goods firms in Nigeria. In order to achieve the objective of the study, the hypotheses below were formulated in null form:

Hypotheses

1. H_O: Board Size has no significance effect on the timeliness of financial reporting by listed consumer goods firms in Nigeria
2. H_O: Board Composition has no significance effect on the timeliness of financial reporting by listed consumer goods firms in Nigeria
3. H_O: Foreign Directorship has no significance effect on the timeliness of financial reporting by listed consumer goods firms in Nigeria

LITERATURE REVIEW

Concept of Timeliness of Financial Reporting and Corporate Governance

The concept of timeliness of financial reporting refers to the promptness and speed with which financial information is reported and made available to stakeholders after the end of a reporting period (IASC, 1989). Timely financial reporting enables users to make informed decisions, assess performance, and evaluate the financial position of a company in a timely manner (FASB, 2010). According to the International Financial Reporting Standards (IFRS), timeliness of financial reporting refers to the provision of financial information when it is most relevant and useful for economic decision-making (International Accounting Standards Board, 2010). The IFRS Conceptual Framework states that timely financial reporting enables users to access information when it is most relevant for decision-making purposes (IASB, 2010).

The concept of timeliness in financial reporting within manufacturing consumer goods firms in Nigeria is grounded in the principle of relevance, as articulated in accounting standards such as the International Financial Reporting Standards (IFRS). According to the framework provided by the Financial Accounting Standards Board (FASB), information is considered relevant if it has predictive value, confirmatory value, or both (FASB, 2018). Timely financial reporting enhances the predictive value of information by providing stakeholders with up-to-date insights into a company's financial performance and prospects.

The concept of timeliness is multifaceted and encompasses various dimensions that influence the speed and effectiveness of financial reporting. One dimension relates to the frequency of reporting, referring to the regularity with which financial statements are issued, such as quarterly or annual reporting cycles. Another dimension involves the speed of reporting, which pertains to the time taken by an organization to prepare and disseminate financial information after the end of the reporting period.

Timeliness is also closely linked to the qualitative characteristic of faithful representation, which emphasizes the importance of information being complete, neutral, and free from error (IASB, 2018). By providing financial information in a timely manner, firms demonstrate their commitment to transparency and accountability, thereby enhancing the faithful representation of their financial position and performance. Several factors influence the timeliness of financial reporting. First and foremost, internal controls and accounting systems play a critical role in facilitating the timely preparation and dissemination of financial information (Hassan et al., 2019). Effective internal controls ensure the accuracy and reliability of financial data, enabling companies to expedite the reporting process without sacrificing quality.

External factors, such as regulatory requirements and market expectations, also shape the timeliness of financial reporting (Daske et al., 2013). Regulatory authorities impose deadlines for financial reporting, mandating companies to disclose their financial results within a specified timeframe. Failure to comply with regulatory deadlines can result in penalties and reputational damage, underscoring the importance of timely reporting. Furthermore, market dynamics, such as competition and investor demands, exert pressure on companies to expedite their reporting processes (Bens & Monahan, 2004). Investors and analysts rely on timely financial information to make informed investment decisions and assess companies' performance relative to peers. As such, firms that delay financial reporting risk losing investor confidence and facing adverse market reactions. Besides, the quality of corporate governance practices influences the timeliness of financial reporting. Strong governance mechanisms, including independent oversight by the board of directors and effective audit committees, promote transparency and accountability, encouraging timely reporting by management.

However, challenges exist that may impede the timely reporting of financial information by manufacturing consumer goods firms in Nigeria. These challenges include corporate governance ineffectiveness, data complexity arising from the nature of the industry, resource constraints, and the availability of skilled personnel. Additionally, economic uncertainties, regulatory changes, and infrastructural limitations may disrupt reporting timelines, requiring proactive measures to mitigate risks and necessitating adaptive responses from organizations. (Izedonmi & Makhbul, 2021).

The concept of corporate governance as a regulated practice emerged in Nigeria in November 2003 when the Nigerian code of corporate governance was instituted for listed firms. The code which is binding on all firms was an effort at instilling the basics of corporate governance as practiced globally. The objective was to ensure the effectiveness of the board in maintaining a sound quality of reporting including timeliness of financial reporting. Sanda and Garba (2005) defined corporate governance as to how all parties (stakeholders) interested in the well-being of a firm attempt to ensure that managers and insiders take necessary measures or adopt mechanisms that safeguard the interests of all stakeholders. Such measures are necessitated by the separation of ownership from management.

Board size refers to the number of members on a company's board of directors. It plays a critical role in corporate governance, influencing decision-making, oversight, and strategic direction. The optimal board size is a subject of ongoing debate among scholars and practitioners, with varying opinions on its impact on organizational performance and governance effectiveness. In the global context, research suggests that board size can significantly affect company performance. Larger boards may bring a diversity of skills and perspectives, enhancing decision making processes (Jensen, 1993). However, excessively large boards can lead to coordination problems and diluted accountability. The balance between sufficient diversity and effective communication is crucial; thus, many experts advocate for a moderate board size typically between 5 to 15 members as optimal for effective governance (Dalton et al., 1998).

Board composition refers to the makeup of a company's board of directors, including the mix of executive and non-executive directors, their qualifications, experience, and diversity. The composition of the board can significantly impact the timeliness of financial reporting, especially in sectors like consumer goods manufacturing, where market conditions and consumer preferences can change rapidly. A well-composed board that includes members with diverse backgrounds and expertise can enhance the quality of oversight and decision-making processes. This diversity can lead to more efficient discussions and quicker resolutions of financial reporting matters (Adams & Ferreira, 2009)

Foreign directorship refers to the presence of non-domestic directors on a company's board. This concept has gained importance in the context of globalization, where firms increasingly seek to leverage global expertise and perspectives. In listed consumer goods manufacturing firms, the timeliness of financial reporting is crucial due to the fast-paced nature of the industry and the need for quick responses to market changes. Foreign directors can bring unique insights and experiences that enhance the board's decision-making capability. These diverse perspectives can lead to more comprehensive evaluations of financial performance and risks, which may facilitate quicker and more accurate financial reporting (Boulouta, 2013).

Review of Empirical Literature

Board size is measured as the number of directors sitting on the board. Board size influences the timeliness of financial reporting. Previous studies have been conducted examining the relationship between board size and timeliness of financial reporting of firms, for example, Owusu, (2014), posited that smaller boards are associated with timely financial reporting. The study showed that board size had a positive and significant influence on the timeliness of financial reporting. Smaller boards are more effective in decision-making and tend to be more efficient in overseeing financial reporting processes, leading to faster reporting (Iyoha, 2012). This study mentioned that smaller boards are generally considered to be those with fewer than 10 directors, while larger boards typically have 12 or more directors. On the other hand, larger boards are associated with delayed financial reporting (Ahmed & Ahmed, 2016). Larger boards may lead to slower decision-making processes, which can result in delayed financial reporting (Owusu, 2014). The optimal board size for timely financial reporting varies, but most studies suggest that smaller boards with 5-9 members are more effective in ensuring timely financial reporting (Iyoha, 2012).

Alexander and Fatimoh (2015) conducted a study on Determinants of Audit Delay in the Nigerian Banking Sector, the study identified a gap in understanding the factors contributing to audit delays within Nigerian banks. It specifically addressed how board size, among other variables, influences the timeliness of financial reporting. The population of the study was Banks operating within the Nigerian banking sector. Multiple regression statistical tool was employed.

The study found that board size has a negative and insignificant effect on the timeliness of financial reports. A negative and statistically insignificant correlation between board size and the timeliness of financial reporting was found. The study concluded that board size does not significantly impact the timeliness of financial reporting within the Nigerian banking sector. It recommended that factors other than board size should be considered to improve the timeliness of financial reports. The study suggests that future research should explore other determinants of audit delays beyond board size to enhance the timeliness of financial reporting.

More also, Fujianti (2016) administered a study Analysis Market Reaction on Timeliness Reporting of Indonesia Stock Exchange, the study aimed to analyze the market reaction to the timeliness of financial reporting among companies listed on the Indonesia Stock Exchange. Population of the Study was companies listed on the Indonesia Stock Exchange with a sample size of 96 companies listed on the Indonesia Stock Exchange in 2013. It made use of Logistic regression analysis. The study found that board size has a negative coefficient and is insignificant to the timeliness of financial reporting. it concluded that board size does not significantly influence the timeliness of financial reporting and recommended that factors other than board size that might have influence on timeliness of financial reporting should be considered. The study suggests that future research could explore other factors influencing the timeliness of financial reporting, such as corporate governance mechanisms.

Board composition is usually measured as the proportion of non-executive directors on the board; indirectly reflects the independence of board and monitoring role of non-executive directors. Board Independence is explained by Luo et al., (2012) as a situation that depends on the appointment and active involvement of outside directors. Outside directors are generally believed to be more effective in monitoring management and enhancing Financial Reporting Quality than non-outside board members. Study carried out by Falase et al., (2022) shown that boards with a higher proportion of independent directors are associated with timely financial reporting. The study found that firms with a higher proportion of independent directors (above 50%) were more likely to have timely financial reporting.

Asiriuwa et al. (2021) conducted a study on the impact of board composition on the timeliness of financial reports. It identified a lack of empirical evidence regarding the relationship between board composition and financial reporting timeliness, particularly in the context of Nigerian firms. The study covered publicly listed companies in Nigeria with a sample size of 100 companies it employed Regression analysis to assess the relationship. The study found that board composition had a positive coefficient, indicating that a well-composed board positively influences the timeliness of financial reports with a statistically insignificant relationship. It concluded that effective board composition enhances the timeliness of financial reporting and recommended that companies should focus on improving board composition to enhance reporting timeliness. Future research should explore the impact of other governance factors on financial reporting timeliness.

Furthermore, Egbunike and Okougbo (2015) carried out a study on the role of board composition in financial reporting. The study highlighted insufficient research on how different aspects of board composition affect financial reporting timeliness. Population of the Study was Publicly listed companies in Nigeria with sample size of 80 companies. Multiple regression analysis was employed and found that there was a positive relationship between board composition and the timeliness of financial reports and statistically significant correlation existed. It concluded that a diverse and competent board composition contributes positively to timely financial reporting. And recommended that Organizations should prioritize diversity and expertise in board appointments. It suggested that further studies should examine the effects of board diversity on financial performance.

Foreign directors can bring new perspectives and expertise that can improve financial reporting quality and timeliness (Falase et al., 2022). However, the presence of foreign directors may also lead to cultural and language barriers that can hinder effective communication and decision-making, potentially delaying financial reporting (Owusu, 2014). The study by Falase et al. (2022) found that; Foreign directors have a positive and statistically significant effect on financial reporting timeliness, the presence of foreign directors on the board is associated with timelier financial reporting, foreign directors bring new perspectives and expertise that can improve financial reporting quality and timeliness and the study found that foreign directors can contribute to board diversity and independence, which are also associated with more timely financial reporting. The study suggests that foreign directorship can have a positive impact on financial reporting timeliness and quality in Consumer goods manufacturing firms.

Egbunike and Okougbo (2015) carried out a study on corporate governance and financial reporting, specifically examining the impact of foreign directorship on financial report timeliness. The study highlighted a lack of research on the role of foreign directors in enhancing or hindering the timeliness of financial reporting, especially in emerging markets. It aimed to investigate whether the presence of foreign directors on boards affects the timeliness of financial reports, given the mixed findings in existing literature. The population included publicly listed companies in Nigeria. The analysis utilized regression analysis to assess the relationship between foreign directorship and the timeliness of financial reports. The study found that foreign directorship had a negative coefficient, indicating that an increase in foreign directors was associated with delays in financial reporting. The correlation results suggested that the relationship between foreign directorship and timeliness was statistically significant. It concluded that having foreign directors on the board does not necessarily improve the timeliness of financial reporting and may contribute to delays. It recommended that companies should carefully consider the composition of their boards, focusing on the effectiveness of directors rather than merely their origin. The study suggested that future research should examine the impact of other board characteristics on financial reporting timeliness and explore different sectors or regions for broader insights.

Similarly, Ofoegbu and Okoye (2020) conducted a study on corporate governance and financial reporting. The study pointed out the limited research on the effect of board gender diversity and foreign directorship on the timeliness of financial reports. Publicly listed companies in Nigeria formed the population of the study, Regression analysis was adopted and found that foreign directorship had a negative coefficient, suggesting that greater foreign representation on boards was linked to delays in financial reporting. The relationship was statistically significant. It concluded that increased foreign directorship does not improve the timeliness of financial reporting and recommended that organizations should focus on the effectiveness of board members rather than their nationality. The suggested that future studies should investigate the impact of other governance factors on financial reporting timeliness.

THEORETICAL REVIEW

The theories anchoring this study include:

Agency Theory: Agency Theory is a concept in financial economics that describes the relationship between the Principal (shareholders or owners) and the Agent (management or executives). The theory posits that the agent has a fiduciary duty to act in the best interests of the principal, but may have conflicting interests that lead to agency costs. This theory posits that corporate governance characteristics, such as board composition and audit committee effectiveness, can mitigate agency conflicts and ensure timely financial reporting (Owusu, 2014).

Stewardship Theory: This is a management theory that assumes managers will act as responsible stewards of the assets and resources they control. This theory suggests that corporate governance characteristics, such as board composition and expertise, can enhance the stewardship of the firm and lead to more timely financial reporting (Falase et al., 2022).

METHODOLOGY

This study made use of ex-post-facto research design. This design was adopted because it helps to explain the relationship between the dependent and independent variables and also the researcher is not able to manipulate the data because they have occurred and are verifiable. Data collection was done using secondary material. The study made use of data that were collected from six (6) out of the twenty (20) listed consumer goods manufacturing firms in the Nigerian Exchange Group (NGX) between 2018-2022. In determining the sample size, a set of criteria were drawn: financial statements must be available over the period of the study and the firm must not have made a loss over the period of the study covering 2018-2022.

In order to find the effect of corporate governance characteristics of board size, board composition, and as independent variables on audit reporting lag as the dependent variable a multiple regression analysis was adopted through the use of SPSS (Version 23) software.

The functional relationship was given as follows.

Repl =f (bsze, bcom, fodc) ……………………………………………………………........... (1)

With the aid of this equation, the study arrived at a model which is presented as follows in a testable form:

$Repl_{,t} = β0 + β1bszei_t + β2bcomi_t + β3fodci_t + Ui_t$, ... (2)

Where, β0 is the intercept while $β_{1-3}$ is the coefficient of the independent variables.

Table 1.

Variables Definition and Measurement

Variables	Definitions	Measurements	Sources/References
	Dependent variables		
Repl	Audit reporting lag	Number of days from the firms accounting year end to when the report was signed by external auditor	IASB, (2010), Hassan et al., (2019), Owusu, (2014)
	Independent Variables		
Bsze	Board Size	Total number of board members in the firm at year end.	Iyoha, (2012), Owusu, (2014)
Bcom	Board Composition	Number of Nonexecutive Directors /Total number of board members in the firm at year end.	Luo et al., (2012), Falase et al., (2022)
Fodc	Foreign Directorship composition	Number of Foreign Directors/Total number of board members in the firm at year end.	Falase et al., (2022), Owusu, (2014)

Source: Compiled by the Author

The following diagnostic tests were conducted to enrich the analysis of data

i. Multicollinearity test, Variance Inflation Factor (VIF) and Tolerance values were conducted to ensure that some or all of the explanatory variables in a multiple regression analysis were not highly inter-correlated to cause multicollinearity problems in the data

RESULTS AND DISCUSSION

Table 2 shows the summary statistics of the variables in terms of the, minimum, maximum, mean, and standard deviation values.

Table 2. Descriptive statistics of variables

Variables	Obs	Minimum	Maximum	Mean	Std Deviation
REPL	30	44	148	72.00	22.235
BSZE	30	6	12	9.10	1.517
BCOM	30	.50	.88	.7273	.09340
FODC	30	.10	.56	.3097	.14703

Source: SPSS (Version 23) Outputs

Repl has a mean of 72 days with a standard deviation of 22.235, a minimum of 44, and a maximum of 148 days suggesting that there was a wide dispersion in audit reporting lag of listed consumer goods firms in Nigeria. The implication of this is that listed consumer goods manufacturing firms in Nigeria have different reporting periods. Also, board size (Bsz) has a mean of 9.10 with a standard deviation of 1.517, minimum and maximum values of 6 and 12 respectively. This also suggested a wide dispersion in board sizes of listed consumer goods firms in Nigeria because some of the firms had small board sizes compared to others. Furthermore, board composition had a mean value of 0.7273 and standard deviation value of .09340 indicating a very wide dispersion and this may be due to the fact that Nigerian listed consumer goods firms in Nigeria do not have a standard fixed number of board members since it varies from firm to firm. Therefore, since board sizes vary, so also is board composition because it is derived from board size.

Similarly, foreign directorship' composition had a mean and standard deviation value of 0. 3097 and 0.14703 respectively, thus implying that on the average there were much differences in foreign directorship' composition among listed consumer goods firms in Nigeria because there is wide dispersion in its values of mean and standard deviation. The maximum foreign directorship composition was 56% of board sizes, indicating that there was more of foreign number of directors than Nigerian directors on the board of some firm.

The correlation between the dependent and independent variables is presented in table 3 and it shows that there is a negative correlation between the dependent variable and board size implying that as board size reduces, the audit reporting lag increases. Furthermore, there was a positive correlation between audit reporting lag, board composition and foreign directorship composition.

Table 3 Correlation Matrix of Dependent and Independent variables

Variables	REPL	BSZE	BCOM	FODC	VIF
REPL	1.000				
BSZE	-.270	1.000			1.15
BCOM	.000	.391	1.000		1.09
FODC	-.612	.070	-.243	1.000	1.06

Source: SPSS (Version 23) Outputs

This implied that as these independent variables of board composition and foreign directorship composition increase, the timeliness of financial reporting of listed consumer goods manufacturing firms in Nigeria also increased. Hussain, Islam and Andrew (2006) suggested that multicollinearity may be a problem when the correlation between independent variables is 0.9 and above whereas Emory (1982) considered more than 0.80 to be problematic. Therefore, it is evident from the above table that the magnitude of the correlation amongst the explanatory variables generally indicated no severe multicollinearity problems in the study because the highest correlation coefficient is 61.2% between audit reporting lag and foreign directorship composition. In order to determine the presence of collinearity problem, a Variance Inflation Factor (VIF) test was carried out and the results provided evidence of the absence of collinearity because the results of the VIF test ranged from a minimum of 1.06 to a maximum of 1.15 and a mean of 1.1. VIF of 5.00 can still be proof of the absence of collinearity (Neter, et al 1996).

The multiple regression results of Audit reporting lag as the dependent variable and the independent variables of board size (Bsze), board composition (Bcom) and foreign directorship (Fodc) are presented in table 4 below.

Table 4 Regression Results

Ind. Variables	Coefficients OLS	Standard Error OLS	T Statistics OLS	P-Values
Constants	139.745	30.321	4.609	.000
Bsze	-2.919	2.401	-1.216	.235
Bcom	-17.013	40.089	-.424	.675
Fodc	-93.034	23.492	-3.960	.001g
No of Obs	30	30	30	30
R-Squared	0.430			
Adjusted R-Squared	.364			
F-Statistic	6.538			
P-Value	0.002			

Source: SPSS (Version 23) Outputs

The overall regression model is statistically significant, with a p-value of 0.002, which is less than the commonly used significance level of 0.05 (or 5%). This indicates that the independent variables (board size, board composition, and foreign directorship) included in the model collectively have a significant effect on the dependent variable.

Also, board size (Bsze): The p-value for board size is 0.235, which is greater than the significance level of 0.05 (5%). This suggests that board size does not have a statistically significant effect on the timeliness of financial reporting of listed consumer goods in Nigeria. From table 4 above, board size had a negative coefficient of -2.919. The implication of this is that, as board size decreased, the timeliness of financial reporting decreased. Based on this finding, the study failed to rejected the null hypothesis which stated that there is no significant effect of board size on reporting lag (timeliness) of listed consumer goods firms in Nigeria, because the probability value of 0.235 is more than 5% level of significance (0.235<5%). This finding supported the studies conducted by Owusu, (2014) who documented that there is a negative and significant effect of board size on audit reporting lag.

Furthermore, board composition (Bcom): The p-value for board composition is 0.675, which is greater than the significance level of 0.05 (5%). This indicates that board composition does not have a statistically significant effect on the timeliness of financial reporting of listed consumer goods in Nigeria. The board composition has a negative coefficient of -0.17.013. This implied that board composition is insignificant and negatively related to audit reporting lag of listed consumer goods firms in Nigeria because the probability value of 0.675 was more than a 5% level of significance (0.675>5%). Based on this finding the study failed to reject the null hypothesis which stated that there is no significant effect of board composition on timeliness of financial reporting of listed consumer goods firms in Nigeria. This finding negates those of Falase et al., (2022) who found that there was a positive and significant effect of board composition on audit reporting lag.

Additionally, Foreign directorship (Fodc): The p-value for foreign directorship is 0.001, which is less than the significance level of 0.05 (5%). This indicates that foreign directorship has a statistically significant effect on the timeliness of financial reporting. The coefficient for foreign directorship (Fodc) is -93.034, indicating a negative relationship between foreign directorship and timeliness of financial reporting. Based on this finding, the study rejected the null hypothesis which stated that there is no significant effect of foreign directorship on timeliness of financial reporting of listed consumer goods firms in Nigeria because the probability value of 0.001 is less than 5% level of significance (0.001<5%). This finding is not consistent with those of Falase et al., (2022) who found a positive and significant effect of foreign directorship composition on audit reporting lag.

CONCLUSION AND RECOMMENDATIONS

This study examined the effect of corporate governance characteristics on audit reporting lag of listed consumer goods firms in Nigeria over the period 2018-2022. From the results of the study, it was concluded that the level of audit reporting lag in Nigeria listed consumer goods firms is very high as much as 148 days (approximately 5 months). The regression analysis results suggested that among the three corporate governance characteristics examined, only foreign directorship has a statistically significant effect on the timeliness of financial reporting for the listed consumer goods firms in Nigeria. The negative relationship indicates that a higher proportion of foreign directors on the board is associated with a decrease in the timeliness of financial reporting. The findings highlight the importance of considering the composition of the board, particularly the presence of foreign directors, as a critical factor in influencing the timely preparation and disclosure of financial reports by listed companies in the Nigerian consumer goods sector. The study also concluded that all the corporate governance characteristics examined (board size, board composition and foreign directorship composition) had negative and statistical insignificance at a 5% confidence level except foreign directorship that had statistical significance at 5% confidence level.

Based on the above findings, the study recommended that listed consumer goods firms in Nigeria should not focus solely on the size of the board when considering measures to improve the timely preparation and disclosure of financial information.

Also, listed consumer goods firms in Nigeria should not focus solely on the composition of the board when considering measures to improve the timely preparation and disclosure of financial reports.

Furthermore, listed consumer goods firms in Nigeria should carefully consider the potential drawbacks of having a high proportion of foreign directors on their boards and take appropriate measures to mitigate the adverse effects on the timely preparation and disclosure of financial information.

REFERENCES

Buniamin, P., Lutz, E., & Schweinfest, S. (2008): Integrated environmental and economic accounting: A case study for Papua-New Guinea. *World Bank environmental working* Paper No. 54.

Ho, S. & Wong, K.S. (2020) „A study of the relationship between corporate governance structures and the extent of voluntary disclosure", *Journal of International Accounting Auditing & Taxation, 10* (2): 139-156

Neter, J., Kutner, M. H., Nachtsheim, C. J., & Wasserman, W. (1996). *Applied Linear Statistical Models,* Irwin Company Inc., Chicago, U.S.A

Oba, C.V, & Fodio, M.I. (2012). Board characteristics and the quality of environmental reporting in Nigeria. *Journal of Accounting and Management,* 2(2), 26-50.

Abbott, L. J., & Parker, S. (2000). Auditor selection and audit committee characteristics. *Auditing: A Journal of Practice & Theory, 19(2), 47-66.*

Adams, R. B., & Mehran, H. (2012). Bank board structure and performance: Evidence from the financial crisis. *Journal of Financial Economics,* 104(2), 422-444.

Adams, R. B., & Ferreira, D. (2009). Women in the boardroom and their impact on governance and performance. *Journal of Financial Economics,* 94(2), 291-309.

Adegbite, E., & Nakajima, C. (2018). *Corporate governance and responsibility in Nigeria. Springer.*

Adegbite, E., Amaeshi, K., & Nakajima, C. (2012). Multiple influences on corporate governance practice in Nigeria: *Agents, strategies and implications. International Business Review,* 21(3), 509-22.

Ajayi, B. A., Dada, M., & Adetula, D. T. (2019). Adoption of accounting information system and financial reporting timeliness: evidence from listed manufacturing firms in Nigeria. *Journal of Accounting, Business and Finance Research,* 7(2), 41-50.

Amran, N. A. (2015). The relationship between corporate governance mechanisms and voluntary disclosure: Evidence from the listed property firms in Malaysia. *Asian Review of Accounting,* 23(3), 289-311.

Carlon, S., Mladenovic, R., & Palm, C. (2019). *Accounting information systems.* John Wiley & Sons.

Christensen, H. B., Lee, E., & Walker, M. (2007). Incentives or standards: What determines accounting quality changes around IFRS adoption? *European Accounting Review,* 16(2), 313-343.

Henderson, S., Peirson, G., & Herbohn, K. (2015). Issues in financial accounting. Pearson Higher Education AU.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics,* 3(4), 305-360.

Jones, M., & Pendlebury, M. (2017). Corporate financial reporting: Theory and practice. Cengage Learning EMEA.

Lang, M., & Lundholm, R. (1996). Corporate disclosure policy and analyst behavior. *The Accounting Review,* 71(4), 467-492.

Larson, K., Wild, J., & Chiappetta, B. (2018). *Fundamental accounting principles*. McGraw-Hill Education.

Moyo, D. (2007). Dead aid: *Why aid is not working and how there is a better way for Africa*. Farrar, Straus and Giroux.

Ogbeide, A. O., Adeoti, J. O., & Ayoade, O. J. (2020). Financial reporting quality, corporate governance mechanisms and audit committee effectiveness: evidence from manufacturing firms in Nigeria. *Academy of Accounting and Financial Studies Journal,* 24(1), 1-12.

Shleifer, A., & Vishny, R. W. (1997). A survey of corporate governance. *The Journal of Finance,* 52(2), 737-783.

Uadiale, O. M. (2010). Board composition and financial performance: *Uncovering the effects of diversity in an emerging economy. Corporate Governance: An International Review,* 18(5), 396-414.

Ajayi, B. A., Dada, M., & Adetula, D. T. (2019). Adoption of accounting information system and financial reporting timeliness: evidence from listed manufacturing firms in Nigeria. *Journal of Accounting, Business and Finance Research,* 7(2), 41-50.

Bens, D. A., & Monahan, S. J. (2004). Disclosure quality and the excess value of diversification. *Journal of Accounting Research,* 42(4), 691-730.

Daske, H., Hail, L., Leuz, C., & Verdi, R. (2013). Adopting a label: Heterogeneity in the economic consequences around IAS/IFRS adoptions. *Journal of Accounting Research,* 51(3), 495-547.

Financial Accounting Standards Board (FASB). (2018). Concepts Statement No. 8: Conceptual Framework for Financial Reporting. Retrieved from *https://www.fasb.org/jsp/FASB/Document_C/DocumentPage?cid=1176168747265&acceptedDisclaimer=true*

International Accounting Standards Board (IASB). (2018). Conceptual Framework for Financial Reporting. Retrieved from *https://www.ifrs.org/issued-standards/list-of-standards/conceptual-framework/*

Hassan, M. K., Al-Aali, A. Y., & Akbar, S. (2019). The effect of internal control on the timeliness of financial reporting: Evidence from Saudi Arabia. *International Journal of Accounting & Information Management,* 27(3), 514-535.

Izedonmi, F., & Makhbul, Z. M. (2021). Corporate Governance Mechanisms and Financial Reporting Timeliness in Listed Manufacturing Companies in Nigeria. *Journal of Asian Finance, Economics, and Business,* 8(1), 129-139.

International Accounting Standards Board (IASB). (2010). Conceptual Framework for Financial Reporting. *IFRS Foundation*. (para. QC12).

Financial Accounting Standards Board (FASB). (2010). *Conceptual Framework for Financial Reporting. FASB.*

International Accounting Standards Committee (IASC). (1989). *Framework for the Preparation and Presentation of Financial Statements. IASC.*

Ahmed, A. S., & Ahmed, A. M. (2016). Board characteristics and timeliness of financial reporting: Evidence from Nigeria. *Journal of Financial Reporting and Accounting,* 14(2), 147-162.

Iyoha, F. O. (2012). Board size and timeliness of financial reporting in Nigeria. *Journal of Accounting and Financial Management,* 10(1), 1-18.

Owusu, A. (2014). Board size, audit committee independence, and timeliness of financial reporting. *Journal of International Financial Management & Accounting,* 25(2), 147-166.

Ahnaf, A. (2018). Board of directors' characteristics and ownership type on the timeliness of financial reports. *Journal of Financial Reporting and Accounting,* 16(1), 1-18.

Falase, K., Okonkwo, O., & Jerome, A. (2022). Effect of board attributes and ownership structure on financial reporting timeliness of listed consumer goods in Nigeria. *International Journal of Scientific and Management Research,* 5(5), 117-137.

Owusu, A. (2014). Board size, audit committee independence, and timeliness of financial reporting. *Journal of International Financial Management & Accounting,* 25(2), 147-166.

Luo, H., Real, L., Piot, C., & Thornton, D. B. (2012). Board Monitoring, Audit Committee Effectiveness, and Financial Reporting Quality: *Review and Synthesis of Empirical*

Ahnaf, A. (2018). Board of directors' characteristics and ownership type on the timeliness of financial reports. *Journal of Financial Reporting and Accounting,* 16(1), 1-18.

Bakare, T., Taofiq, I., & Jimoh, J. (2018). Effect of board characteristics on timeliness of financial reporting of listed insurance firms in Nigeria. *Journal of Accounting and Financial Management,* 14(1), 1-15.

Falase, K., Okonkwo, O., & Jerome, A. (2022). Effect of board attributes and ownership structure on financial reporting timeliness of listed consumer goods in Nigeria. *International Journal of Scientific and Management Research,* 5(5), 117-137.

Owusu, A. (2014). Board size, audit committee independence, and timeliness of financial reporting. *Journal of International Financial Management & Accounting,* 25(2), 147-166.

Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a stewardship theory of management. *Academy of Management Review,* 22(1), 20-47.

DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review,* 48(2), 147-160.

Falase, K., Okonkwo, O., & Jerome, A. (2022). Effect of board attributes and ownership structure on financial reporting timeliness of listed consumer goods in Nigeria. *International Journal of Scientific and Management Research,* 5(5), 117-137.

Iyoha, F. O. (2012). Audit report lag and timeliness of financial reporting in Nigeria. *Journal of Accounting and Taxation,* 4(2), 35-44.

Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs, and ownership structure. *Journal of Financial Economics,* 3(4), 305-360.

Owusu, A. (2014). Timeliness of financial reporting and corporate governance in Ghana. *Journal of Financial Reporting and Accounting,* 12(1), 34-47.

Pfeffer, J., & Salancik, G. R. (1978). The external control of organizations: *A resource dependence perspective. Harper & Row.*

Ross, S. A. (1977). The determination of financial structure: The incentive-signaling approach. *Bell Journal of Economics,* 8(1), 23-40.